



ACTUARIAL VALUATION AS AT 31 DECEMBER 2024

CATERING INDUSTRY PENSION FUND

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1. Executive Summary

- 1.1 This is an Executive Summary of the Actuarial Valuation of the Catering Industry Pension Fund (the Fund) as at 31 December 2024. The last Actuarial Valuation was as at 31 December 2023. An interim valuation was conducted as at 30 June 2024 and a currency conversion as at 05 April 2024.
- 1.2 A Currency Conversion Valuation to convert the assets and liabilities of the Fund from ZWL to Zimbabwe Gold (ZWG) was conducted as at 05 April 2024. This was in response to the promulgation of Statutory Instrument (S.I.) 60 of 2024 "Presidential Powers (Temporary Measures) (Zimbabwe Gold Notes and Coins) Regulation, 2024" and in compliance with the Insurance and Pensions Guideline on Conversion of values from ZWL to ZWG (May 2024) issued by the Regulator. The ZWG liabilities determined as at 05 April 2024 form the base of this report.
- 1.3 Additionally, following a Commission of Inquiry promulgated by the President of the Republic of Zimbabwe, IPEC issued Statutory Instrument 162 of 2023 - Pensions and Provident Funds (Compensation for Loss Pre-2009 Value of Pension Benefits) Regulations ("S.I. 162 of 2023"). Under this S.I. 162 of 2023, all Funds must compensate members or former members who lost value on pensions in the pre-2009 era.
- 1.4 At the date of producing this report, we had calculated that the Fund has an amount equal to USD 1,965,071 in potential prejudice payable to former members of the Fund and we are awaiting feedback on this report from the Regulator. We have therefore, allowed for a 1% Compensation Levy, which should be transferred into a special Fund as soon as the Compensation Framework is approved by the Regulator, for purposes of paying out members who were prejudiced.
- 1.5 The IPEC issued Circular 8 of 2025 on the 27th of March 2025, wherein they required that the actuarial reports as at 31 December 2024, should provide supplementary information on the Currency Conversion as at 05 April 2024. We have therefore allowed for this supplementary information in this report. This report covers a twelve-month intervaluation period split into 1 January 2024 to 05 April 2024 and 06 April 2024 to 31 December 2024 for ZWG Sub - Accounts.
- 1.6 The two currencies applied in this report are the Zimbabwe Gold (ZWG) and the USD. We refer to three Sub - Accounts in this report, i.e.
 - 1.5.1 Sub - Account A1 formally Sub - Account 1 prior to the currency change. This Sub - Account maintains the ring-fenced assets and liabilities accrued by members prior to 1 January 2019.
 - 1.5.2 Sub - Account A2 formally Sub - Account 2 prior to the currency change. This Sub-Account maintains the ZWL assets and liabilities accrued by members since 1 January 2019 to date. This includes any new contributions made in ZWG.
 - 1.5.3 Sub - Account B formerly Sub - Account 3 where the USD assets and liabilities from 1 January 2019 onwards are maintained.
- 1.7 We will continue to maintain these three Sub - Accounts until such a time that the Fund is given approval by the Regulator to merge Sub - Account A1 and A2 into one ZWG Sub - Account.

Membership

- 1.8 The following tables summarise the Fund membership as at 05 April 2024, with comparative figures as at 31 December 2023:

Category	31-Dec-23		05-Apr-24	
	Sub - Account1 & 2	Sub - Account 3	Sub - Account1 & 2	Sub - Account3
Active	5,277	2,896	6,544	3,792
Dormant	46,347	755	42,877	828
Dormant Aged over 60	4,720	2	4,708	37
Members with age related benefits	56,344	3,653	54,129	4,657
Preserved	461	15	446	24
Exits with interest due	364	37	0	46
Total pre-retirement members	57,169	3,705	54,575	4,727
Members with zero contributions	44,566	-	4,539	45

- 1.9 The table below shows the Fund's membership as at 31 December 2024:

Category	31-Dec-24	
	Sub-Account A1 & A2	Sub-Account B
Active	6,598	5,948
Dormant	42,197	1,471
Dormant Aged over 60	3,692	52
Members with age related benefits	52,487	7,471
Preserved	1,633	33
Exits with interest due	493	171
Total pre-retirement members	54,613	7,675
Members with zero accumulated contributions	6,867	128

- 1.10 We were provided with the following data relating to pensions in payment and suspended pensioners. We note that the interim pension increase recommended as at 30 June 2024, was only implemented after the 31 December 2024 valuation data was submitted, therefore, we have allowed for the pension values after allowing for the pension increase and also allowed for the short fall pensions between 30 June 2024 and 31 December 2024:

	31-Dec-23 ZWL	05-Apr-24 ZWL	31-Dec-24 ZWG
Retirees			
Number of pensioners	170	169	169
Total Annual Pension	342,718,856	1,036,817,854	1,390,388
Average Annual Pension	2,015,993	6,135,017	8,227
Average age of pensioners	73.00	72.00	72.41

- 1.11 The Fund commenced paying pensioners in ZIG with effect from 30 April 2024. The pension amounts paid were based on the 31 March 2024 payroll, converted to ZIG by applying the conversion rate of 1:2,498.7242. An additional uplift of ZIG 203.42 was applied to all pensions in payment to bring the minimum pension to this amount. This amounted to a monthly payroll of ZIG 43,783.

Contributions & Expenses

- 1.12 The following Employee and Employer contributions were accrued to the Fund over the period under review for the ZWG Sub - Account:

For the period ended 05 April 2024

Contributions	ZWL	% of Salary
Member Contributions	1,282,601,704	5%
Gross Employer Contributions	1,282,601,704	5%
Total	2,565,203,408	10%

- 1.13 From 05 April to 31 December 2024, the following contributions were made to Sub - Account A2 while the twelve months contributions to Sub - Account B were as follows:

For period ended 31 December 2024

Contributions	(ZWG)	(USD)	% of Salary
Member Contributions	6,830,795	585,456	5%
Gross Employer Contributions	6,830,795	585,456	5%
Total	13,661,591	1,170,912	10%

- 1.14 From 1 January 2024 to 5 April 2024, the incurred non-investment and non-benefit related expenses amounting to **ZWL 3,367,557,471** were incurred in Sub Account 1 & 2. All expenses are met out of the Fund and are expected to follow provisions provided in the Fund's rules.

For period ended 05 April 2024

Category	Sub – Account 1 (ZWL)	Sub – Account 2 (ZWL)	% of ZWL Salary Bill
Staff Costs	465,275,897	1,277,166,455	6.8%
Other Expenses	1,374,435,413	250,679,706	6.3%
Total	1,839,711,310	1,527,846,161	13.1%

- 1.15 From 06 April 2024 to 31 December 2024, the Fund incurred non-investment and non-benefit related expenses amounting to **ZWG 11,969,274** on the ZWG Sub - Accounts. Based on the financial statements provided, there were no non-benefit related expenses incurred from the USD Sub - Account. All expenses are met out of the Fund and are expected to follow provisions provided in the Fund's rules.

For period ended 31 December 2024

Category	Sub – Account A1 (ZWG)	Sub – Account A2 (ZWG)	% of ZWG Salary Bill
Staff Costs	2,624,962	3,187,451	4.25%
Other Expenses	5,171,765	985,098	4.51%
Total	7,796,727	4,172,549	8.76%

- 1.16 The total staff costs were in breach of Rule 34 of the Fund's Registered Rules which provides that staff costs should not exceed 2.5% of the total annual salary bill. It is also important that the expenses are looked at in comparison with the expenses framework that was published by the Regulator.

Summary of the Currency Conversion results as at 05 April 2024

Assets

- 1.17 Based on the draft audited financial statements provided, the total value of ZWL net assets as at 05 April 2024 are **ZWL 526,081,814,834**. The following table shows the corresponding ZWL asset mix at 05 April 2024:

Asset Class	05-Apr-24		Total ZWL
	Sub - Account1 (ZWL)	Sub - Account2 (ZWL)	
Investments			
Property	20,582,618,802	-	20,582,618,802
Investment property	345,046,396,454	-	345,046,396,454
Equities	73,675,340,897	64,583,534,520	138,258,875,417
Prescribed assets	7,005,655,032	3,377,793,370	10,383,448,402
Money Market Investments	3,028,306,662	-	3,028,306,662
Net Current Assets	7,932,271,377	849,897,721	8,782,169,098
Total	457,270,589,224	68,811,225,610	526,081,814,834

- 1.18 We estimate that the ZWL assets earned an investment return of **320.16%** over the three months from 01 January 2024 to 05 April 2024 split as follows:

1.17.1 The estimated Sub - Account 1 investment return is **318.12%**;

1.17.2 The estimated Sub - Account 2 investment return is **334.80%**.

- 1.19 We were provided with the Opening Balances in ZIG after the administrator applied the requirements of Section 8 of the Currency Conversion Guideline. We have accepted the provided Opening Balances as accurate, subject to an audit review.

- 1.20 The table below summarises the Opening ZWG Balances in Sub - Account A of the Fund, **after conversion from ZWL at 05 April 2024**:

Asset Class	05-Apr-24
	Sub – Account A (ZIG)
Investments	
Property	8,237,251
Investment property	138,089,028
Equities	55,330,781
Prescribed assets	4,155,500
Money Market Investments	1,317,261
Net Current Assets	3,410,347
Total	210,540,169

Financial position as at 05 April 2024 before conversion

- 1.21 As at the valuation date, the Fund has a surplus in Sub – Accounts 1 and 2 before distributing any surplus. We have allowed for the same level of reserves as set out in the Actuarial Valuation Report as at 31 December 2023, in alignment with Section 15.7 of the Currency Conversion Guidelines.

- 1.22 The financial position before distributing the surplus emerging between 1 January 2024 and 5 April 2024 is as shown below;

Category	Sub - Account 1 ZWL	Sub - Account 2 ZWL	Total ZWL
Active Members	23,792,702,731	33,395,370,857	57,188,073,588
Deferred Members	74,473,480,476	9,702,323,747	84,175,804,223
Preserved Members	2,268,837,313	212,266,673	2,481,103,987
Suspended Members	14,190,023,242	0	14,190,023,242
Aged over 60	309,956,473	56,730,446	366,686,919
Pensioners	5,963,524,928	1,835,414,064	7,798,938,992
Data Uncertainty Reserve	6,902,100,014	2,602,001,503	9,504,101,518
Expense Reserve	3,024,963,129	1,130,052,645	4,155,015,774
Asset Reserve	12,099,852,516	4,520,210,579	16,620,063,095
Compensation levy	4,572,705,892	688,112,256	5,260,818,148
Total Liabilities	147,598,146,714	54,142,482,771	201,740,629,485
Total Assets	457,270,589,224	68,811,225,610	526,081,814,834
Surplus	309,672,442,510	14,668,742,840	324,341,185,349
Funding Level	310%	127%	261%

- 1.23 We applied the following bonuses to Sub - Account 1 and 2 before we converted the liabilities in those Sub - Accounts to ZIG:

	Sub - Account 1 ZWL	Sub - Account 2 ZWL
Interest	318.12%	334.80%
Bonus	257.82%	32.42%
Pension Increase	219.47%	-

- 1.24 The table below shows the Fund's financial position after allowing for the above interest credits and pension increases but before conversion to ZIG.

Category	Sub - Account 1 ZWL	Sub - Account 2 ZWL	Total ZWL
Active Members	85,135,267,477	44,222,336,423	129,357,603,900
Deferred Members	266,481,691,973	12,847,871,241	279,329,563,214
Preserved Members	8,118,374,516	281,084,713	8,399,459,230
Suspended Members	50,774,871,518	0	50,774,871,518
Aged over 60	1,109,089,100	75,122,773	1,184,211,873
Pensioners	19,051,673,087	5,863,597,310	24,915,270,397
Data Uncertainty Reserve	6,902,100,014	2,602,001,503	9,504,101,518
Expense Reserve	3,024,963,129	1,130,052,645	4,155,015,774
Asset Reserve	12,099,852,516	1,101,046,746	13,200,899,262
Compensation levy	4,572,705,892	688,112,256	5,260,818,148
Total Liabilities	457,270,589,224	68,811,225,610	526,081,814,834
Total Assets	457,270,589,224	68,811,225,610	526,081,814,834
Surplus	0	0	0
Funding Level	100%	100%	100%

- 1.25 We then applied the exchange rate as provided by the Reserve Bank of Zimbabwe as at 5 April 2024 to convert the above liabilities to ZIG. The Currency Conversion Guidelines, Section 18.2 18.3 18.4 and 18.5 provide that the Fund can only combine Sub - Account 1 and 2 to one Sub - Account A, if the Fund has received approval on its valuation submission from 2019 to 2023 and if it implemented the approved submissions.

- 1.26 While the Fund has been implementing the actuarial recommendations made in terms of Sub - Account 1 and 2 interest credits, bonuses and pension increase recommendations, we do not have any written approval of the reports submitted between 2019 to 2023. Therefore, for the Fund to comply with the requirements of the Currency Conversion Guidelines, it will have to maintain separate ZIG accounts until approval is received from the Regulator.
- 1.27 We have therefore **converted the Fund's assets and liabilities into Sub - Account A1 and Sub - Account A2** as below:

Category	Sub - Account A1 ZIG	Sub - Account A2 ZIG	Total Sub - Account A ZIG
Active Members	34,071,494	17,697,966	51,769,461
Deferred Members	106,647,101	5,141,772	111,788,873
Preserved Members	3,249,008	112,491	3,361,499
Suspended Members	20,320,318	0	20,320,318
Aged over 60	443,862	30,064	473,927
Pensioners	7,624,560	2,346,636	9,971,197
Data Uncertainty Reserve	2,762,250	1,041,332	3,803,582
Expense Reserve	1,210,603	452,252	1,662,855
Asset Reserve	4,842,412	440,644	5,283,056
Compensation levy	1,830,016	275,385	2,105,402
Total Liabilities	183,001,625	27,538,544	210,540,169
Total Assets	183,001,625	27,538,544	210,540,169
Surplus	0	0	0
Funding Level	100%	100%	100%

Summary of the review for the post Currency Conversion Period

Assets

- 1.28 We were provided with draft audited financial statements as at 31 December 2024. The total value of ZWG net assets is **ZWG 524,976,897**, the USD assets are **USD 2,159,815** at the same date. The following table shows the market value of assets as at 31 December 2024:

	31-Dec-24			
	Sub - AccountA1 (ZWG)	Sub - AccountA2 (ZWG)	Total ZWG	Sub- Account B (USD)
Property	18,039,988	-	18,039,988	-
Investment property	363,292,147	-	363,292,147	1,322,892
Equities	63,394,414	54,965,213	118,359,626	109,128
Prescribed assets	6,233,687	2,896,622	9,130,309	416,269
Money market investments	5,406,302	986,315	6,392,617	270,906
Net Current Assets	5,444,070	4,318,139	9,762,209	40,620
Net assets for allocation	461,810,608	63,166,289	524,976,897	2,159,815

- 1.29 We have estimated that the ZWG assets earned an investment return of **123.28%** over the nine months from 05 April 2024 to 31 December 2024 while USD assets earned a return of **4.68%** over the twelve months to 31 December 2024. The estimate split of returns earned per Sub – Account A as below:
- 1.28.1 The estimated Sub - Account A1 investment return is **129.09%**;
- 1.28.2 The estimated Sub - Account A2 investment return is **84.62%**.

- 1.30 Over the review period to 31 December 2024.

- 1.29.1 The ZSE all share index increased by **113.90%**.
- 1.29.2 The VFEX All Share index increased by **5.77%** from 1 January 2024 to 31 December 2024
- 1.29.3 The reported ZWG rate of inflation from April to December was **66.30%**, while the USD annual inflation was **2.48%** as at 31 December 2024

1.31 **Appendix I** shows the Revenue Account build-up of the Fund

Financial Position as at 31 December 2024

1.32 As at the valuation date, the Fund has a surplus in the Sub - Accounts A1 & A2 and a deficit in Sub - Account B before distributing any surplus. The financial position before any recommendations is as shown below:

Category	Sub-Account A1 (ZWG)	Sub-Account A2 (ZWG)	Total ZWG	Sub - Account B (USD)
Active Members	13,400,259	27,644,191	41,044,450	2,338,416
Deferred Members	62,917,828	11,361,416	74,279,244	321,401
Exited	861,490	299,943	1,161,433	15,985
Preserved Members	5,469,514	129,181	5,598,695	15,116
Aged over 60	220,993	71,630	292,623	3,680
Pensioners Capital Values	6,922,859	2,633,496	9,556,356	-
Pension backpay	40,792	10,703	51,496	-
Data Uncertainty Reserve	2,762,250	1,041,332	3,803,582	
Expense Reserve	1,210,603	452,252	1,662,855	33,280
Asset Reserve	4,842,412	440,644	5,283,056	-
Compensation levy	1,830,016	275,385	2,105,401	13,312
Total Liabilities	100,479,016	44,360,173	144,839,191	2,741,190
Total Assets	461,810,608	63,166,289	524,976,898	2,159,815
Surplus/ (Deficit)	361,331,592	18,806,116	380,101,277	(581,374)
Funding Level	460%	142%	362%	79%

Recommendations

- 1.33 We recommend that the Fund maintains the 10% of net value of assets' reserve in line with previous valuation reports. This Asset Reserve provides a cushion to the Fund against adverse market movements which may pose a risk the Fund's ability to meet members accrued deferred annuities.
- 1.34 There has been good improvement in the quality of the data over the past valuation period. We have therefore reduced the Data Uncertainty Reserve to 2.5% of the active members' liabilities.
- 1.35 We also recommend maintaining an expense reserve equal to 2.5% of the total value of the liabilities of the Fund consistent with the previous valuation approaches. This will ensure that the Fund can continue to meet its obligations in the face of reducing contributing members.
- 1.36 Finally, we have applied a Compensation Levy equal to 1% of the fair value of assets available at valuation date, in line with the requirements of S.I. 162 of 2023. This amount should be set aside in terms of the requirements of Section 9 (2) (b) (A) of S.I. 162 of 2023 and used to set up a Compensation Fund for purposes of financing any prejudice suffered by members during the investigative period.
- 1.37 After setting aside the above reserves, we recommend that the Board allocate the following bonuses from the remaining surplus:

	Sub - Account A1 – ZWG	Sub - Account A2 – ZWG	Sub - Account B - USD
Interest	128.96%	84.37%	4.68%
Bonus	2,631.16%	72.80%	-48.30%
Pension Increase	286.53%	286.53%	0.00%

- 1.38 The above 286.53% pension increase is in addition to the 8.00% interim increase awarded as at 30 June 2024. Therefore, the total pension increase awarded to the ZWG pensions after conversion as at 05 April 2024, amount to **417.45%**.
- 1.39 The Fund will be in a solvent financial position following the implementation of the above recommendations. However, it is important to note that the Fund's solvency position is dependent on the value of assets and the quality of the data maintained to enable us to calculate the liabilities of the Fund. We therefore recommend that the Fund continues to improve its quality of data and record of assets for future valuation exercises.
- 1.40 Our assessment of the Fund's compliance with IPEC Guideline on Expenses Framework shows that the Fund's expenses are above the required cap. We recommend that the Fund engages the Regulator and agree on a correction plan regarding this matter.
- 1.41 We recommend that the Board creates a Compensation Fund, by transferring the 1% Compensation Levy into this fund and pay out all the members determined to have any prejudice as soon as approval is received from the Regulator.
- 1.42 We recommend that the Board review the Fund's asset allocation to comply with the requirement of Circular 2 of 2022.

2. Introduction and Background

- 2.1 This report on the Actuarial Valuation of the Catering Industry Pension Fund (“the Fund”) on an ongoing basis as at 31 December 2024 (“the current valuation date”) has been prepared for the Board of the Fund.
- 2.2 Coronation Actuaries & Consultants (Pvt) Ltd (“Coronation”) are the appointed Statutory Actuaries of the Fund and this report has been prepared on their behalf by Sandra Makoni. We also carried out the last statutory Actuarial Valuation as at 31 December 2023 (“the previous valuation date”).
- 2.3 Additionally, a Currency Conversion Valuation from ZWL to Zimbabwe Gold (ZWG) for the Fund was conducted as at 05 April 2024. This was in response to the promulgation of Statutory Instrument (S.I.) 60 of 2024 “Presidential Powers (Temporary Measures) (Zimbabwe Gold Notes and Coins) Regulation, 2024”.
- 2.4 The S.I. introduced a new local currency, Zimbabwe Gold, which became legal tender in all transactions alongside any other currencies acceptable as legal tender in Zimbabwe, with effect from 5 April 2024.

Objectives of this Actuarial Valuation

- 2.5 The objectives of this valuation are as follows:
- 2.6.1 To assess the financial and solvency position of the Fund at the valuation date;
 - 2.6.2 To determine the interest rate to be applied in calculating members’ non retirement benefits as at 31 December 2024;
 - 2.6.3 To recommend a final bonus to be awarded to members’ accrued pension benefits as at 31 December 2024;
 - 2.6.4 To recommend the pension increase to be awarded to pensions in payment with effect from 31 December 2024;
 - 2.6.5 To recommend the interim interest rate and bonus to be used in calculating benefits payable after 31 December 2024; and
 - 2.6.6 To recommend any other actions that the Board need to ensure the ongoing financial solvency of the Fund.

Governance and compliance matters

- 2.6 The Fund is a duly registered Pension Fund in terms of the Pensions and Provident Funds Act.
- 2.7 The Governing body of the Fund is the Board to whom this report is addressed. We have prepared this report with the knowledge that it will also be of relevance to the Sponsoring Employers.
- 2.8 The report has been prepared in accordance with the instructions from the Board and in accordance with the pensions’ legislation of the country. In instances where necessary we have been guided by relevant actuarial professional standards. Specifically, the **Standard of Actuarial Practice (SAP) 201: Retirement Funds – Actuarial Valuation Reports**, issued by the Actuarial Society of South Africa and the **Actuarial Professional Standard (APS) P1: Duties and Responsibilities of Members Undertaking Work in Relation to Pension Schemes**, issued by the Institute and Faculty of Actuaries (UK).

- 2.9 The report and its contents are confidential and may not be distributed to any third parties without the express permission of Coronation Actuaries and Consultants (Pvt) Ltd. Coronation Actuaries and Consultants (Pvt) Ltd will not take responsibility for use of the contents of this report by any unauthorized third party without our prior written consent.
- 2.10 A Currency Conversion Valuation to convert the assets and liabilities of the Fund from ZWL to Zimbabwe Gold (ZWG) was conducted as at 05 April 2024. This was in response to the promulgation of Statutory Instrument (S.I.) 60 of 2024 “Presidential Powers (Temporary Measures) (Zimbabwe Gold Notes and Coins) Regulation, 2024” and in compliance with the Insurance and Pensions Guideline on Conversion of values from ZWL to ZWG (May 2024) issue by the Regulator. The ZWG liabilities determined as at 05 April 2024 form the base of this report.
- 2.11 Additionally, following a Commission of Inquiry promulgated by the President of the Republic of Zimbabwe, IPEC issued Statutory Instrument 162 of 2023 - Pensions and Provident Funds (Compensation for Loss Pre-2009 Value of Pension Benefits) Regulations (“S.I. 162 of 2023”). Under this S.I. 162 of 2023, all Funds must compensate members or former members who lost value on pensions in the pre-2009 era. We have submitted a report in compliance with S.I. 162 of 2023 and we await the regulator’s feedback to our submission. However, we have allowed for the draft results in our report dated, 15 July 2024 pending feedback from IPEC.
- 2.12 We have not received a copy of the certificate signed by the Principal Officer confirming that the data sent to the Revaluation Actuary is true, complete and accurate as required by IPEC. This is our final report as at the valuation date, as approved by the Board’s for submission to the Regulator.

3. Summary of the Actuarial Valuation period

- 1.1 In this section, we capture developments during the financial review period in order to develop a context within which the Fund operated.
- 1.2 The last financial review at 31 December 2023 and a ZWG Currency Conversion Valuation was conducted at 5 April 2024 was carried out by Coronation Actuaries and Consultants. Additionally, an interim valuation was carried out as at 30 June 2024.

Summary of the currency conversion valuation

- 1.3 The Currency Conversion report as at 05 April 2024 set out the closing pension accounts as at that date, in ZWL and determined the opening pension accounts in ZWG. These opening pension accounts have been applied as the starting point to the current valuation for the ZWG Sub Accounts. The following interest credits were applied to the ZWL Sub - Accounts before the currency conversion:

	Sub – Account 1 ZWL	Sub – Account 2 ZWL
Interest	318.12%	334.80%
Bonus	257.82%	32.42%
Pension Increase	219.47%	-

- 1.4 Subsequently, an interim valuation was carried out as at 30 June 2024 and the following recommendations were made:

	Sub - Account A1 – ZWG	Sub - Account A2 – ZWG	Sub - Account B - USD
Interest	9.18%	13.28%	0.00%
Bonus	292.00%	0.00%	-36.50%
Pension Increase	8.00%	8.00%	0.00%

- 1.5 However, for purposes of this report, we have assumed that the interim 30 June 2024 valuation recommendations were not implemented and carried out this review for the full period from 05 April 2024 and 01 January 2024 for Sub Accounts A and B respectively, to 31 December 2024.

Expenses

- 1.6 The Fund incurred non-investment and non-benefit related expenses as shown below.

For period ended 05 April 2024

Category	Sub – Account 1 (ZWL)	Sub – Account 2 (ZWL)	% of ZWL Salary Bill
Staff Costs	465,275,897	1,277,166,455	6.8%
Other Expenses	1,374,435,413	250,679,706	6.3%
Total	1,839,711,310	1,527,846,161	13.1%

For period ended 31 December 2024

Category	Sub – Account A1 (ZWG)	Sub – Account A2 (ZWG)	% of ZWG Salary Bill
Staff Costs	2,624,962	3,187,451	4.25%
Other Expenses	5,171,765	985,098	4.51%
Total	7,796,727	4,172,549	8.76%

- 1.7 The total staff costs were in breach of Rule 34 of the Fund's Registered Rules which provides that staff costs should not exceed 2.5% of the total annual salary bill. It is also important that the expenses are looked at in comparison with the expenses framework that was published by the Regulator.

Investment performance

- 1.8 We have estimated that the ZWG assets earned an investment return of **113.08%** over the nine months from 05 April 2024 to 31 December 2024 while USD assets earned a return of **4.68%** over the twelve months to 31 December 2024. The estimate split of returns earned per Sub – Account A as below:
- 3.8.1 The estimated Sub - Account A1 investment return is **128.96%**;
- 3.8.2 The estimated Sub - Account A2 investment return is **84.37%**.
- 1.9 Over the review period to 31 December 2024.
- 3.9.1 The ZSE all share index increased by **113.90%**.
- 3.9.2 The VFEX All Share index increased by **5.77%** from 1 January 2024 to 31 December 2024
- 3.9.3 The reported ZWG rate of inflation from April to December was 66.30%, while the USD annual inflation was **2.48%** as at 31 December 2024.

Economic Developments

Currency Change

- 1.10 Statutory Instrument (S.I.) 60 of 2024 "Presidential Powers (Temporary Measures) (Zimbabwe Gold Notes and Coins) Regulation, 2024" was promulgated in April 2024, leading to the introduction of a new currency, named the Zimbabwe Gold (ZWG) on 5 April 2024. At the date of first transacting, then a conversion factor of ZWG: ZW\$ of 2498.7242 was announced by the Reserve Bank of Zimbabwe (RBZ). All transactions and carrying account balances were converted using this conversion rate from the 8th of April 2024
- 1.11 The RBZ also went on to set out an exchange rate of the new ZWG currency to the USD which would be expected to move with the movements in Gold prices. At the outset of the new currency, the official exchange rate was set as 13.5616 ZWG: ZWL and the same official rate stood at 13.7031 as at the valuation date.

Zimbabwe Stock Exchange

- 1.12 All the Zimbabwe Stock Exchange (ZSE) indices were rebased to 100 after the currency change. The All-Share Index, which measures the overall market performance, recorded a 113.90% gain following the currency change, reflecting positive investor confidence after the currency change.

- 1.13 On 1 January 2024, the VFEX All-Share Index was also rebased to 100. By 31 December 2024, it had closed at 105.8, representing a gain of 5.77% over the year.

Inflation

- 1.14 Following the introduction of the new currency, the Consumer Price Index factors were also rebased to 100. The initial response to the currency change was a stabilisation of prices with the average reported month on month inflation for the second quarter of 2024 being a negative 1.2%. By the end of the year, the ZWG CPI had risen to 166.3, reflecting a 66.3% increase.

Regulatory

Conversion of values from ZWL to ZWG

- 1.15 Following the change in currency, IPEC issued a guideline “Insurance & Pensions Guideline on Conversion of Values from ZWL to Zimbabwe Gold (ZWG) in May 2024. An addendum to this Guideline was subsequently issued in June 2024.
- 1.16 We provided a conversion valuation report aligning to the requirements of these Guidelines on 29 August 2024 and we confirm that the Fund has since complied with the recommendations of that report.

Circulars

- 1.17 A number of circulars were issued by the Regulator in 2024 which affect the operations of the Fund. We summarise below the circulars that we believe directly impact the Fund:

Circular	Title	Summary
2024 Circulars		
Circular 2 of 2024	Actuarial Society of Zimbabwe Guidance Note for SI 162 of 2023	Provided the industry with a guidance framework to follow when implementing the requirements of SI 162 of 2023.
Circular 8 of 2024	Guideline on 2024 Currency Changes	The Commission provided a framework to guide the industry in carrying out the conversion exercises to convert from ZWL to ZWG.
Circular 11 of 2024	Amendment to the Guideline on 2024 Currency Changes	The Commission extended the submission deadline of Currency Valuation Reports from 30 June 2024 to 31 July 2024.
Circular 12 of 2024	Guidance to Funds on Conduct of Annual General Meetings	The Commission provided guidelines to the industry on how pension funds should conduct Annual General Meetings.

Circular 13 of 2024	FIU Directive	The directive mandates that regulated entities implement robust anti-money laundering and counter-terrorism financing measures, including maintaining comprehensive asset registers and obtaining prior approval before asset disposals.
Circular 14 of 2024	Implementation of targeted financial sanctions	The Commission outlines the implementation of targeted financial sanctions within Zimbabwe's insurance and pensions sectors.
Circular 16 of 2024	Directive on Civil and Administrative Penalties	The Directive outlines the enforcement of civil and administrative penalties for non-compliance within Zimbabwe's insurance and pensions sectors. This directive specifies the sanctions applicable to entities that fail to adhere to regulatory standards, aiming to enhance compliance and protect the interests of policyholders and pension fund members.

4. Actuarial Valuation Data

- 4.1 In carrying out the Actuarial Valuation, we relied on the following data that was provided by the Fund's Managers:
- 4.1.1 Membership data as at 31 December 2024;
 - 4.1.2 Pensioners data as at 31 December 2024;
 - 4.1.3 Draft audited Financial Statements of the Fund as at 31 December 2024. We have relied on the set with the financials for nine months from 05 April to 31 December 2024 for the ZWG Sub Account and the set of financials statement with the twelve months from 01 January 2024 to 31 December 2024 for the USD Sub Account;
- 4.2 Based on the data provided, there were no major events that occurred between 05 April 2024 and 31 December 2024 that would materially affect the operations of the Fund.
- 4.3 The accuracy of the Actuarial Valuation and suitability of advice given depend on the quality of the data. Whilst we have performed certain reasonability checks on this data, we have relied on the accuracy and completeness of the data as provided. If the information upon which we have relied is incomplete or inaccurate, then the results would be affected and may need to be updated.
- 4.4 Some of the reasonability data tests conducted include:
- 4.4.1 Verifying that the data does not contain duplicate member records;
 - 4.4.2 Checking if the opening balances of the current data are the same as closing balances at last Actuarial Valuation (for data consistency between Actuarial Valuations);
 - 4.4.3 Checking for consistency in membership records between consecutive valuations i.e. DOBs, Gender, Date of Joining, etc.
 - 4.4.4 Checking whether paid benefits were consistent with provisions of the Rules;
 - 4.4.5 Reconciling membership data with financial statements e.g. checking whether contributions in membership data are consistent with contributions showing in financial statements and whether accrued pensions in payment are consistent with pensioners' data; and
 - 4.4.6 Carrying out membership reconciliations.
- 4.5 Based on the data tests conducted, we are satisfied with the overall suitability of the data for this valuation exercise.

Membership data

- 4.6 The following tables summarise the Fund membership as at 05 April 2024:

Category	31-Dec-23		05-Apr-24	
	Sub - Account1 & 2	Sub - Account 3	Sub - Account1 & 2	Sub - Account3
Active	5,277	2,896	6,544	3,792
Dormant	46,347	755	42,877	828
Dormant Aged over 60	4,720	2	4,708	37
Members with age related benefits	56,344	3,653	54,129	4,657
Preserved	461	15	446	24
Exits with interest due	364	37	0	46
Total pre-retirement members	57,169	3,705	54,575	4,727
Members with zero contributions	44,566	-	4,539	45

4.7 The number of members at 05 April and 31 December 2024 were as follows:

Category	31-Dec-24	
	Sub-Account A1 & A2	Sub-Account B
Active	6,598	5,948
Dormant	42,197	1,471
Dormant Aged over 60	3,692	52
Members with age related benefits	52,487	7,471
Preserved	1,633	33
Exits with interest due	493	171
Total pre-retirement members	54,613	7,675
Members with zero accumulated contributions	36,867	128

4.8 The table below summarises the pensioners on the Fund:

	31-Dec-23 ZWL	05-Apr-24 ZWL	31-Dec-24 ZWG
Retirees			
Number of pensioners	170	169	169
Total Annual Pension	342,718,856	1,036,817,854	1,390,388
Average Annual Pension	2,015,993	6,135,017	8,227
Average age of pensioners	73.00	72.00	72.41

5. Fund Contributions and Benefits

5.1 The following is a summary of the Pension Fund rules.

Contributions

5.2 Contributions by active members of the Fund are being made at the rate of 5% of Pensionable Salary.

5.3 Similarly, the Employer makes contributions at a rate of 5% of pensionable emolument to each member of the Fund.

Fund Benefits

5.4 The following benefits are payable on exit from the Fund:

Age Retirement Benefits

5.5 On retirement on age grounds, a member shall be entitled to a regular pension purchased by each year's contributions depending on the actual age of the member at the date of purchase and upon the amount of the contributions made. The pension purchased is in accordance with Annexure A of the Fund rules. We have appended Annexure A in Appendix 5 of our report.

Ill-Health retirement Benefits

5.6 On ill-health early retirement with more than 5 years' service the benefit shall not be less than 50% of the annual pensionable emoluments.

Withdrawal Benefits

5.7 On termination of employment by resignation/dismissal (before normal retirement), a member is entitled to a deferred paid-up pension based on both the member and employer contributions made with payments commencing from his normal retirement date or a refund of contributions plus six percent thereof for each completed year of service during which contributions were made continuously up to 31 December 2001;

5.8 If the member has accrued Pensionable service exceeding five years, an additional amount, determined as a percentage of own contributions shall be paid to the member, excluding any voluntary contributions. The percentages are as shown in the table below:

Refund of Contributions	
Pensionable Service	Additional percentage
Less than 5 years	0.0%
5 years	25.0%
6 years	30.0%
7 years	35.0%
8 years	40.0%
9 years	45.0%
10 years	50.0%
11 years	60.0%
12 years	70.0%

13 years	80.0%
14 years	90.0%
15 years	100.0%

Death-in-Service Benefit

- 5.9 On death before retirement the benefit shall not be less than:
- 5.9.1 50% of the annual pensionable emoluments where the member has been employed in the industry for less than five years;
 - 5.9.2 75% of the annual pensionable emoluments where the member has been employed in the industry for more than five years.

Pensions in payment

- 5.10 Pension payments, once set, are guaranteed for a minimum period of 5 years and met directly from the Fund.

5 Contributions and Expenses

- 5.1 The cost of administering the Fund is met directly from investment income as provided for in the Fund's registered rules.

Contributions

- 5.2 The following Employee and Employer contributions were accrued to the Fund over the period under review for the ZWG Sub - Account and the USD Sub - Account:

For the period ended 05 April 2024

Contributions	ZWL	% of Salary
Member Contributions	1,282,601,704	5%
Gross Employer Contributions	1,282,601,704	5%
Total	2,565,203,408	

- 5.3 From 05 April to 31 December 2024, the following contributions were made to Sub-Account A2 and Sub- Account B:

For period ended 31 December 2024

Contributions	(ZWG)	(USD)	% of Salary
Member Contributions	6,830,795	585,456	5%
Gross Employer Contributions	6,830,795	585,456	5%
Total	13,661,591	1,170,912	10%

- 5.4 The financial statements show that there are outstanding contributions amounting to **ZWG 3,379,630** as at the valuation date. These contributions are not inclusive of the required late payment interest as per IPEC Guidelines. We have not received confirmation from management as to whether these outstanding contributions were cleared subsequent to 31 December 2024.
- 5.5 We recommend that the Fund allows for the interest on all outstanding contributions per IPEC Guidelines.

Expenses

- 5.6 From 1 January 2024 to 5 April 2024, the incurred non-investment and non-benefit related expenses amounting to **ZWL 3,367,557,471** were incurred in Sub Account 1 & 2. All expenses are met out of the Fund and are expected to follow provisions provided in the Fund's rules.

For period ended 05 April 2024

Category	Sub – Account 1 (ZWL)	Sub – Account 2 (ZWL)	% of ZWL Salary Bill
Staff Costs	465,275,897	1,277,166,455	6.8%
Other Expenses	1,374,435,413	250,679,706	6.3%
Total	1,839,711,310	1,527,846,161	13.1%

- 5.7 From 06 April 2024 to 31 December 2024, the Fund incurred non-investment and non-benefit related expenses amounting to **ZWG 11,969,276** on the ZWG Sub - Accounts. Based on the financial statements provided, there were no non-benefit related expenses incurred from the USD Sub - Account. All expenses are met out of the Fund and are expected to follow provisions provided in the Fund's rules.

For period ended 31 December 2024

Category	Sub – Account A1 (ZWG)	Sub – Account A2 (ZWG)	% of ZWG Salary Bill
Staff Costs	2,624,962	3,187,451	4.25%
Other Expenses	5,171,765	985,098	4.51%
Total	7,796,727	4,172,549	8.76%

- 5.8 The total staff costs were in breach of Rule 34 of the Fund's Registered Rules which provides that staff costs should not exceed 2.5% of the total annual salary bill. It is also important that the expenses are looked at in comparison with the expenses framework that was published by the Regulator.

6 Valuation Methods and Assumptions

6.1 The following assumptions were made in the current valuation to determine the Fund liabilities:

Financial Assumptions

6.2 The valuation basis has been updated to reflect revised economic outlook per Sub Account, given the different long-term expectations per Sub Account. These changes ensure that the actuarial valuation reflects current best estimates based on recent experience and anticipated future trends.

6.3 The financial assumptions should, therefore, reflect the expected future experience but at the same time allowing for a smooth emergence of surplus as well as a stable funding position for the Fund.

6.4 The financial basis adopted for the valuation is:

Assumption	Sub - Account A1 & A2	Sub - Account B
Investment return per annum	12.00%	8.00%
Salary escalation per annum	10.00%	7.00%
Pension increase per annum	5.50%	1.50%

Demographic assumptions

6.5 The demographic assumptions used for this valuation are listed below:

- a) Male mortality before retirement was based on the a(55) ultimate table without AIDS loading. Before retirement, female mortality has been taken as mortality of a male aged 3 years younger.
- b) Mortality in retirement was also based on the a(55) ultimate standard table.
- c) All members were assumed to be married, the husband being 3 years older than the wife.
- d) Ill-health retirement rates were assumed to follow the experience outlined in appendix 3.
- e) Withdrawals were assumed to follow the experience outlined in appendix 4 of this report.
- f) For this valuation, it was assumed that all individuals leaving the Fund through normal retirement will exit at exact age 60, where members were above age 60 and still in service, it was assumed that they would leave the Fund on their next birthday.

6.6 It is important to appreciate that whilst individual elements of an actuarial basis may be subject to differences of opinion, it is the basis, as a whole, that is relevant rather than its constituent parts.

Valuation Methods

6.7 Several demographic and financial assumptions are made in these calculations, and these are discussed above and summarised in Appendix IV and V to this report.

6.8 It should be noted that the contributions provided are taken as being net of any interest component.

- 6.9 Each member's deferred annuity, including bonuses earned up to the valuation date, is calculated and then valued by calculating the expected payments due in future years after making allowance for the probability of the benefit being paid in any particular year and allowing for future interest earnings.
- 6.10 A similar calculation is done for the benefits payable on death, withdrawal, and ill-health early retiral, based on the current value of this benefit and the interest payable.
- 6.11 On death and ill-health early retiral, the benefits are linked to a member's pensionable emoluments and depend on service. This minimum is allowed for based on the member's pensionable emoluments at the valuation date.
- 6.12 The above approach was applied to liabilities under all the 3 Sub-Accounts with the Sub-Account B liabilities being denominated in USD.

7 Pensioners Liability

- 7.1 The liability for pensions in payment is determined using actuarial assumptions, by projecting pensions over the expected future lifetimes of the pensioners and contingent beneficiaries and discounting the projected payments to the valuation date.
- 7.2 Actuarial assumptions are the estimates of the variables that will determine the ultimate cost of providing pension benefits. The main actuarial assumptions allowed for include;
- The discount rate (the rate used to discount projected pension payments)
 - The pension increase rate (the rate at which pensions in payment are expected to increase at in future)
 - The mortality (deaths) expected of the pensioners;

Discount rate

- 7.3 The discount rate reflects the time value of money, and the estimated timing of benefit payments normally determined by reference to the expected long-term investment return from the Fund's assets. However, the current adverse investment climate and lack of long-term bonds makes it difficult to determine an objective long-term expected return.
- 7.4 While the discount rate should reflect the return on the assets backing the liabilities, current returns on the market are unrealistic as they are being spurred by inflation expectations.

Pension Increase rate

- 7.5 The Fund does not have a pension increase policy and any emerging surplus will be distributed as once off bonuses and periodical pension increases. However, we note that it's a natural and reasonable expectation from pensioners that their pensions will increase to at least match inflation.
- 7.6 We have set the net discount rate in retirement equal to 6.16% per annum (i.e., difference between the Fund discount rate and pension increase assumption as set out in the previous section).

Mortality rates

- 7.7 Mortality assumptions are an estimate of the rate of death of plan members after retirement.
- 7.8 Given that the membership is rather small, there is not sufficient credible information available to perform accurate demographic investigations to determine Fund specific demographic assumptions.
- 7.9 We have assumed that the post-retirement mortality experience of the Fund will be in line with the a(55) Ultimate mortality tables commonly used in the region. This table assumes that
- a male pensioner aged 65 years will live to age 78.0 and
 - a female pensioner aged 65 years will live to age 82.1

Other assumptions

- 7.10 We have assumed that pensions are paid monthly in arrears.

Pensioners' liability

- 7.11 The capital values of pensions in payment as at 5 April 2024 based on the assumptions above and before any new pension increase recommendations are shown below:

Liability Component	Value (ZWL)	Value (ZWG)
Pensioners Liabilities	7,798,938,992	4,063,941
Total Liabilities	7,798,938,992	4,063,941

- 7.12 The following table shows the build-up of the pensioners' ring-fenced assets from 31 December 2023 to 5 April 2024:

Pensioners' Assets	ZWL
Opening Balance as at 1 January 2024	7,792,482,339
Investment return	24,863,622,182
Pensions Paid	(84,730,064)
Closing Balance as at 5 April 2024	32,571,374,457

- 7.13 The following table shows the build-up of the pensioners' ring-fenced assets from 5 April 2024 to 31 December 2024.

Pensioners' Assets	ZWG
Opening Balance as at 05 April 2024	9,971,197
Investment Return	36,572,383
Experience cost	968,410
Pensions Paid	(965,461)
Pension Backpay	(51,496)
Closing Balance as at 31 December 2024	46,495,033

- 7.14 We note that the data was submitted before the pension increase recommendation as at 30 June 2024 was implemented. Therefore, pensioners had not yet been paid the back pay based on this increase for the 3 months to 30 June 2024. We have allowed for this liability in our calculation as reflected by the line item "Pensions Backpay" amounting to **ZWG 51,496** as at the valuation date.

- 7.15 The capital values of pensions in payment as at 31 December 2024 based on the assumptions above and after allowing for the pension increase recommended as at 5 April 2024 and as at 30 June 2024 are shown below:

Liability Component	Value (ZWG)
Pensioners Liabilities	9,556,356
Total Liabilities	9,556,356

- 7.16 Based on the assets available to Pensioners as at 31 December 2024, the Fund can afford an immediate pension increase of 286.53% to all pensions in payment.

8 Summary of Currency Conversion

- 8.1 Based on the draft audited financial statements provided, the total value of ZWL net assets as at 05 April 2024 are **ZWL 526,081,814,834**. The following table shows the corresponding ZWL asset mix at 05 April 2024:

Asset Class	05-Apr-24		Total ZWL
	Sub - Account1 (ZWL)	Sub - Account2 (ZWL)	
Investments			
Property	20,582,618,802	-	20,582,618,802
Investment property	345,046,396,454	-	345,046,396,454
Equities	73,675,340,897	64,583,534,520	138,258,875,417
Prescribed assets	7,005,655,032	3,377,793,370	10,383,448,402
Money Market Investments	3,028,306,662	-	3,028,306,662
Net Current Assets	7,932,271,377	849,897,721	8,782,169,098
Total	457,270,589,224	68,811,225,610	526,081,814,834

- 8.2 We estimate that the ZWL assets earned an investment return of **320.16%** over the three months from 01 January 2024 to 05 April 2024 split as follows:

8.2.1 The estimated Sub - Account 1 investment return is **318.12%**;

8.2.2 The estimated Sub - Account 2 investment return is **334.80%**.

- 8.3 We were provided with the Opening Balances in ZIG after the administrator applied the requirements of Section 8 of the Currency Conversion Guideline. We have accepted the provided Opening Balances as accurate, subject to an audit review.

Asset Class	05-Apr-24
	Sub – Account A (ZIG)
Investments	
Property	8,237,251
Investment property	138,089,028
Equities	55,330,781
Prescribed assets	4,155,500
Money Market Investments	1,317,261
Net Current Assets	3,410,347
Total	210,540,169

- 8.4 As at the valuation date, the Fund has a surplus in Sub - Accounts 1 and 2 before distributing any surplus. We have allowed for the same level of reserves as set out in the Actuarial Valuation Report as at 31 December 2023, in alignment with Section 15.7 of the Currency Conversion Guidelines.

8.5 The financial position **before distributing** the surplus emerging between 01 January 2024 and 05 April 2024 is as shown below;

Category	Sub - Account 1 ZWL	Sub - Account 2 ZWL	Total ZWL
Active Members	23,792,702,731	33,395,370,857	57,188,073,588
Deferred Members	74,473,480,476	9,702,323,747	84,175,804,223
Preserved Members	2,268,837,313	212,266,673	2,481,103,987
Suspended Members	14,190,023,242	0	14,190,023,242
Aged over 60	309,956,473	56,730,446	366,686,919
Pensioners	5,963,524,928	1,835,414,064	7,798,938,992
Data Uncertainty Reserve	6,902,100,014	2,602,001,503	9,504,101,518
Expense Reserve	3,024,963,129	1,130,052,645	4,155,015,774
Asset Reserve	12,099,852,516	4,520,210,579	16,620,063,095
Compensation levy	4,572,705,892	688,112,256	5,260,818,148
Total Liabilities	147,598,146,714	54,142,482,771	201,740,629,485
Total Assets	457,270,589,224	68,811,225,610	526,081,814,834
Surplus	309,672,442,510	14,668,742,840	324,341,185,349
Funding Level	310%	127%	261%

8.6 We applied the following bonuses to Sub - Account 1 and 2 before we converted the liabilities in those Sub - Accounts to ZIG:

	Sub - Account 1 ZWL	Sub - Account 2 ZWL
Interest	318.12%	334.80%
Bonus	257.82%	32.42%
Pension Increase	219.47%	-

8.7 The table below shows the Fund's financial position **after allowing for the above interest credits and pension increases but before conversion to ZIG**.

Category	Sub - Account 1 ZWL	Sub - Account 2 ZWL	Total ZWL
Active Members	85,135,267,477	44,222,336,423	129,357,603,900
Deferred Members	266,481,691,973	12,847,871,241	279,329,563,214
Preserved Members	8,118,374,516	281,084,713	8,399,459,230
Suspended Members	50,774,871,518	0	50,774,871,518
Aged over 60	1,109,089,100	75,122,773	1,184,211,873
Pensioners	19,051,673,087	5,863,597,310	24,915,270,397
Data Uncertainty Reserve	6,902,100,014	2,602,001,503	9,504,101,518
Expense Reserve	3,024,963,129	1,130,052,645	4,155,015,774
Asset Reserve	12,099,852,516	1,101,046,746	13,200,899,262
Compensation levy	4,572,705,892	688,112,256	5,260,818,148
Total Liabilities	457,270,589,224	68,811,225,610	526,081,814,834
Total Assets	457,270,589,224	68,811,225,610	526,081,814,834
Surplus	0	0	0
Funding Level	100%	100%	100%

8.8 We then applied the exchange rate as provided by the Reserve Bank of Zimbabwe as at 5 April 2024 to convert the above liabilities to ZIG. The Currency Conversion Guidelines, Section 18.2 18.3 18.4 and 18.5 provide that the Fund can only combine Sub - Account 1 and 2 to one Sub -

Account A, if the Fund has received approval on its valuation submission from 2019 to 2023 and if it implemented the approved submissions.

8.9 While the Fund has been implementing the actuarial recommendations made in terms of Sub - Account 1 and 2 interest credits, bonuses and pension increase recommendations, we do not have any written approval of the reports submitted between 2019 to 2023. Therefore, for the Fund to comply with the requirements of the Currency Conversion Guidelines, it will have to maintain separate ZIG accounts until approval is received from the Regulator.

8.10 We have therefore **converted the Fund's assets and liabilities into Sub - Account A1 and Sub - Account A2** as below:

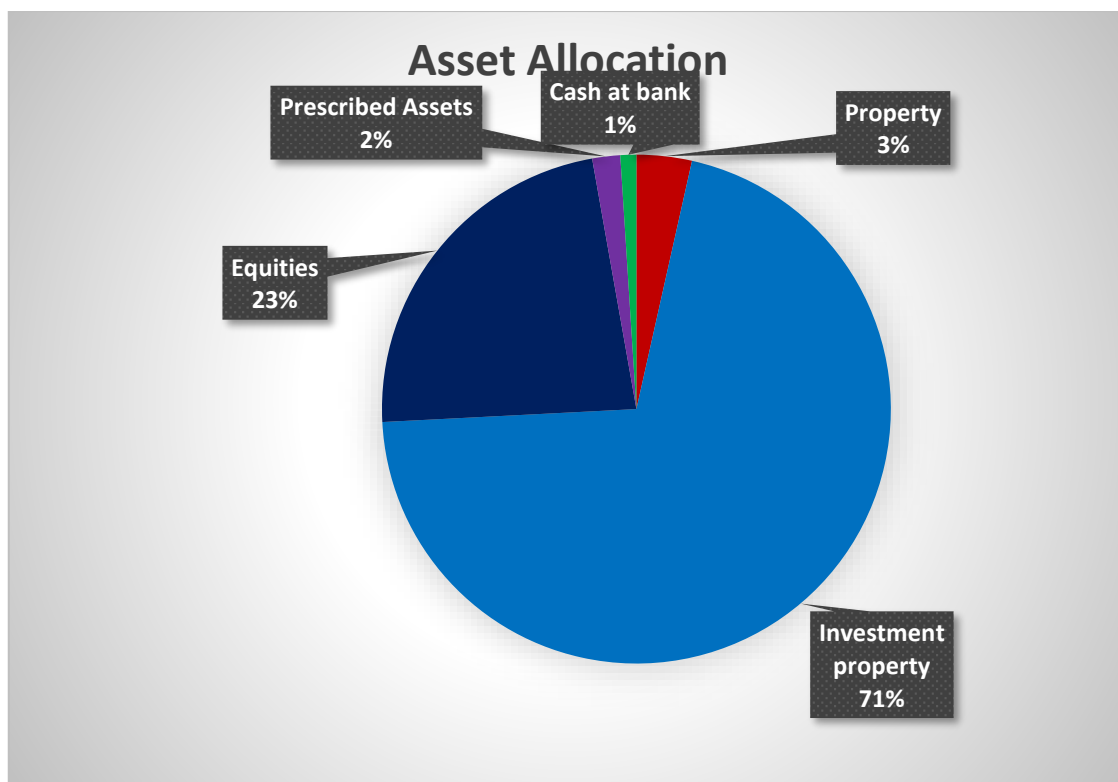
Category	Sub - Account A1 ZIG	Sub - Account A2 ZIG	Total Sub - Account A ZIG
Active Members	34,071,494	17,697,966	51,769,461
Deferred Members	106,647,101	5,141,772	111,788,873
Preserved Members	3,249,008	112,491	3,361,499
Suspended Members	20,320,318	0	20,320,318
Aged over 60	443,862	30,064	473,927
Pensioners	7,624,560	2,346,636	9,971,197
Data Uncertainty Reserve	2,762,250	1,041,332	3,803,582
Expense Reserve	1,210,603	452,252	1,662,855
Asset Reserve	4,842,412	440,644	5,283,056
Compensation levy	1,830,016	275,385	2,105,402
Total Liabilities	183,001,625	27,538,544	210,540,169
Total Assets	183,001,625	27,538,544	210,540,169
Surplus	0	0	0
Funding Level	100%	100%	100%

9 Valuation of Assets

- 9.1 Based on draft audited financial statements provided, the total value of ZWG net assets as at 31 December 2024 are **ZWG 524,976,897**, the USD assets are **USD 2,159,815** at the same date. The following table shows the market value of assets as at 31 December 2024:

	31-Dec-24			
	Sub - AccountA1 (ZWG)	Sub - AccountA2 (ZWG)	Total ZWG	Sub- Account B (USD)
Property	18,039,988	-	18,039,988	-
Investment property	363,292,147	-	363,292,147	1,322,892
Equities	63,394,414	54,965,213	118,359,626	109,128
Prescribed assets	6,233,687	2,896,622	9,130,309	416,269
Money market investments	5,406,302	986,315	6,392,617	270,906
Net Current Assets	5,444,070	4,318,139	9,762,209	40,620
Net assets for allocation	461,810,608	63,166,289	524,976,897	2,159,815

- 9.2 We have determined the Fund's investment return based on the opening balances as and we estimate that the ZWG assets earned an investment return of **123.28%** over the 9 months from 05 April 2024 to 31 December 2024 while USD assets earned a return of **4.68%** over the same period. The return earned per ZWG Sub - Account is estimated as below:
- 9.2.1 The estimated Sub - Account A1 investment return is **129.09%**;
- 9.2.2 The estimated Sub - Account A2 investment return is **84.62%**.
- 9.3 Over the review period to 31 December 2024.
- 9.3.1 The ZSE all share index increased by **113.90%**.
- 9.3.2 The VFEX All Share index increased by **5.77%** from 1 January 2024 to 31 December 2024
- 9.3.3 The reported ZWG rate of inflation from April to December was **66.30%**, while the USD annual inflation was **2.48%** as at 31 December 2024.
- 9.4 **Appendix I** shows the Revenue Account build ups of the Fund.
- 9.5 The chart below shows the allocation of assets of the Fund.



- 9.6 The Fund's assets are concentrated in Properties with this asset class almost making up 75% of the Fund's total assets. This poses an illiquidity risk as the Fund becomes mature and we recommend that the Board consider investing in listed equities and other asset classes. The Fund is also at risk of breaching the Properties maximum threshold as set out in Circular 2 of 2022.

10 Solvency Position of the Fund

Solvency position before recommendations

- 10.1 The financial or solvency position of the Fund is determined by comparing the value of the Fund assets against the total value of the Fund's liabilities. A Fund is solvent when the value of the assets exceeds or matches the maximum liabilities of the Fund, i.e. when the Fund reflects a funding level of 100% or greater. The funding level is the ratio of the Fund assets to the Fund liabilities
- 10.2 As the valuation date, the Fund has a surplus in Sub - Accounts A1 and A2 and a deficit in Sub - Account B before distributing any surplus. The financial position before any recommendations is as shown below:

Category	Sub-Account A1 (ZWG)	Sub-Account A2 (ZWG)	Total ZWG	Sub - Account B (USD)
Active Members	13,400,259	27,644,191	41,044,450	2,338,416
Deferred Members	62,917,828	11,361,416	74,279,244	321,401
Exited	861,490	299,943	1,161,433	15,985
Preserved Members	5,469,514	129,181	5,598,695	15,116
Aged over 60	220,993	71,630	292,623	3,680
Pensioners Capital Values	6,922,859	2,633,496	9,556,356	-
Pension backpay	40,792	10,703	51,496	-
Data Uncertainty Reserve	2,762,250	1,041,332	3,803,582	
Expense Reserve	1,210,603	452,252	1,662,855	33,280
Asset Reserve	4,842,412	440,644	5,283,056	-
Compensation levy	1,830,016	275,385	2,105,401	13,312
Total Liabilities	100,479,016	44,360,173	144,839,191	2,741,190
Total Assets	461,810,608	63,166,289	524,976,898	2,159,815
Surplus/ (Deficit)	361,331,592	18,806,116	380,101,277	(581,374)
Funding Level	460%	142%	362%	79%

Reserves

- 10.3 The Fund's liabilities are determined from the annuity purchased with each contribution made, including any bonuses applied to valuation date. This accrued annuity becomes a guaranteed defined benefit in the Fund. Therefore, any adverse economic events that occur and affect the market value of the Fund's assets, threatens its ability to meet the accrued annuities.
- 10.4 To cushion the Fund against adverse market and economic future movements, we recommend following a smoothed approach to bonus allocation, where at least 10% of the market value of assets are maintained as a cushion. This approach is consistent with previous valuation reports.
- 10.5 There has been good improvement in the quality of the data over the past valuation period. We have therefore reduced the Data Uncertainty Reserve to 2.5% of the active members' liabilities.
- 10.6 According to the Fund's Rules, administration expenses are paid from the contributions income and allowed for in the annuity factors used to purchase members' benefits. However, since the majority of the Fund's members are not making any contributions into the Fund, we recommend maintaining an expense reserve equal to 2.5% of the total value of the liabilities.

10.7 Finally, we have applied a Compensation Levy equal to 1% of the fair value of assets available at valuation date, in line with the requirements of S.I. 162 of 2023.

10.8 The resulting balance after setting aside the above reserves is available for distribution to members as a bonus. We recommend the following bonuses to be awarded as at the valuation date:

	Sub - Account A1 – ZWG	Sub - Account A2 – ZWG	Sub - Account B - USD
Interest	128.96%	84.37%	4.68%
Bonus	2,631.16%	72.80%	-48.30%
Pension Increase	286.53%	286.53%	0.00%

10.9 The above 286.53% pension increase is in addition to the 8.00% interim increase awarded as at 30 June 2024. Therefore, the total pension increase awarded to the ZWG pensions after conversion as at 05 April 2024, amount to **417.45%**.

Solvency position after recommendations

10.10 The financial position of the Fund **after allowing** for the above reserves and recommendations is as shown below.

Category	Sub-Account A1 (ZWG)	Sub-Account A2 (ZWG)	Total ZWG	Sub Account B (USD)
Active Members	61,128,187	30,586,696	91,714,883	1,797,118
Deferred Members	287,013,321	12,570,749	299,584,070	247,003
Exited	3,929,874	331,870	4,261,744	12,285
Preserved Members	24,950,376	142,931	25,093,307	11,617
Aged over 60	1,008,109	79,255	1,087,364	2,828
Pensioners Capital Values	26,758,927	10,179,254	36,938,181	-
Pension backpay	40,792	10,703	51,495	-
Data Uncertainty Reserve	2,071,752	987,659	3,059,411	-
Expense Reserve	2,244,824	1,053,496	3,298,320	67,365
Asset Reserve	46,216,324	6,316,628	52,532,953	-
Compensation levy	6,447,122	907,048	7,355,170	21,599
Total Liabilities	461,810,608	63,166,289	524,976,898	2,159,815
Total Assets	461,810,608	63,166,289	524,976,898	2,159,815
Surplus/ (Deficit)	-	-	-	-
Funding Level	100%	100%	100%	100%

11 Conclusion and Recommendations

- 11.1 We confirm and certify that, based on the data provided the Fund is in a solvent financial position following the implementation of our assumptions as stated below.

Recommendations

- 11.2 We recommend that the Fund maintains the 10% of net value of assets' reserve that has been recommended in previous reports. This Assets Reserve provide a cushion to the Fund against adverse market movements which may pose a risk to members accrued deferred annuities.
- 11.3 We recommend that the Fund should continue to maintain the Data Uncertainty Reserve of 2.5% of the active members' liabilities.
- 11.4 We also recommend maintaining an expense reserve equal to 2.5% of the total value of the liabilities of the Fund consistent with the previous valuation approaches. This will ensure that the Fund can continue to meet its obligations in the face of reducing contributing members.
- 11.5 Finally, we have applied a Compensation Levy equal to 1% of the fair value of assets available at valuation date, in line with the requirements of S.I. 162 of 2023. This amount should be set aside in terms of the requirements of Section 9 (2) (b) (A) of S.I. 162 of 2023 and used to set up a Compensation Fund for purposes of financing any prejudice suffered by members during the investigative period.
- 11.6 After setting aside the above reserves, we recommend that the Board allocate the following bonuses from the remaining surplus:

	Sub - Account A1 – ZWG	Sub - Account A2 – ZWG	Sub - Account B - USD
Interest	128.96%	84.37%	4.68%
Bonus	2,631.16%	72.80%	-48.30%
Pension Increase	286.53%	286.53%	0.00%

- 11.7 The above 286.53% pension increase is in addition to the 8.00% interim increase awarded as at 30 June 2024. Therefore, the total pension increase awarded to the ZWG pensions after conversion as at 05 April 2024, amount to **417.45%**.
- 11.8 The Fund will be in a solvent financial position following the implementation of the above recommendations. However, it is important to note that the Fund's solvency position is dependent on the value of assets and the quality of the data maintained to enable us to calculate the liabilities of the Fund. We therefore recommend that the Fund improves its quality of data and record of assets for future valuation exercises.
- 11.9 We recommend that the Board maintains a Compensation Fund, by transferring the 1% Compensation Levy into this fund and pay out all the members determined to have any prejudice as soon as approval is received from the Regulator.
- 11.10 Our assessment of the Fund's compliance with IPEC Guideline on Expenses Framework shows that the Fund's expenses are above the required cap. We recommend that the Fund engages the Regulator and agree on a correction plan regarding this matter.
- 11.11 We recommend that the Board review the Fund's asset allocation in order to comply with the requirement of Circular 2 of 2022.

We would like to thank the Board of the Fund for allowing us the opportunity to carry out this valuation exercise, and the Fund Administrators for their co-operation in providing us the necessary data.



Sandra Makoni FFA | Consulting Actuary
On behalf of Coronation Actuaries & Consultants (Pvt) Limited
20 April 2025

Appendix I: Revenue Account Build as at 31 December 2024

Revenue account for period from 01 January 2024 to 05 April 2024:

	1-Jan-24 to 05-April-24		
	Sub-Account A1 (ZWG)	Sub-Account A2 (ZWG)	Total Sub-Account A (ZWG)
Fund at beginning of period	43,859,019	5,841,325	49,700,344
Adjustment to opening Assets	(146,984)	(10)	(146,994)
Fund at beginning of period	43,712,035	5,841,315	49,553,350
Income			
Member Contributions	-	513,303	513,303
Employer Contributions	-	513,303	513,303
Interest income	25,595	-	25,595
Dividends	97,911	72,090	170,002
Realised fair value gains/ (losses) on financial assets	47,805,472	21,202,534	69,008,006
Unrealised fair value gains/ (losses) on financial assets	(32,590,171)	(4,418)	(32,594,589)
Profit on sale of shares	24,724	11,903	36,627
Rental income	1,521,221	-	1,521,221
Revaluation gains/ (losses) on property	121,168,812	-	121,168,812
Other income	2,662,993	-	2,662,993
Profit/ (loss) on disposal of non-financial assets			-
Foreign exchange gain			-
Actuarial Miscellaneous Adjustment	(284,741)	(35)	(284,776)
Total income	140,431,816	22,308,681	162,740,497
Expenditure			
Pensions paid	33,909		33,909
Lump sum awards on death	846		846
Lump sum awards on withdrawal/resignation	36,646		36,646
Lump sum awards on retirement and retrenchment	2,931		2,931
Retirement and commutation	54,171		54,171
Asset management & Custodial fees	59,020		59,020
Rates	103,427	-	103,427
Property management fees	48,873	-	48,873
Property maintenance costs	66,142	-	66,142
Bank charges	13,372	2,547	15,919
Staff costs	186,206	511,128	697,334
Actuarial fees	23,761	4,526	28,287
Audit fees	34,833	6,635	41,467
IPEC levies	9,043	1,723	10,766
Legal fees	20,368	3,880	24,247
Amortisation, depreciation & impairment of operating assets	23,359	-	23,359
Administration fees	425,321	81,013	506,334
Total expenditure	1,142,226	611,452	1,753,678
Fund at end of period	183,001,625	27,538,545	210,540,170

Revenue account for period from 05 April 2024 to 31 December 2024:

	05-Apr-24 to 31-Dec-24			01-Jan-24 to 31-Dec-24
	Sub-Account A1 (ZWG)	Sub-Account A2 (ZWG)	Total Sub-Account A (ZWG)	Sub-Account B (USD)
Fund at beginning of period	183,001,625	27,538,544	210,540,169	1,002,586
Adjustment to opening Assets	24,944,729	1	24,944,730	-
Fund at beginning of period	207,946,354	27,538,545	235,484,899	1,002,586
Income				
Member Contributions	-	6,830,795	6,830,795	585,456
Employer Contributions	-	6,830,795	6,830,795	585,456
Interest income	616,490	-	616,490	4,675
Dividends	2,094,649	1,763,900	3,858,548	2,458
Realised fair value gains/ (losses) on financial assets	124,426,280	24,870,803	149,297,083	175,789
Unrealised fair value gains/ (losses) on financial assets	(79,055,031)	4,418	(79,050,613)	(110,826)
Profit on sale of shares	202,901	103,078	305,979	-
Rental income	11,596,634	-	11,596,634	-
Revaluation gains/ (losses) on property	202,872,772	-	202,872,772	-
Other income	367,124	-	367,124	-
Profit/ (loss) on disposal of non-financial assets	(1,156)	-	(1,156)	-
Foreign exchange gain	3,363,357	-	3,363,357	-
Actuarial Miscellaneous Adjustment	(470,998)	-	(470,998)	-
Total income	266,013,022	40,403,788	306,416,809	1,243,009
Expenditure				
Pensions paid	788,424	156,635	945,058	1,377
Lump sum awards on death	21,510	4,258	25,768	919
Lump sum awards on withdrawal/resignation	669,218	180,628	849,846	75,668
Lump sum awards on retirement and retrenchment	130,316	26,075	156,391	3,962
Retirement and commutation	215,931	51,590	267,521	3,855
Asset management & Custodial fees	308,112	184,309	492,421	-
Rates	1,105,195	-	1,105,195	-
Property management fees	451,476	-	451,476	-
Property maintenance costs	581,703	-	581,703	-
Bank charges	122,187	23,274	145,461	-
Staff costs	2,624,962	3,187,450	5,812,412	-
Actuarial fees	1,311,130	249,739	1,560,869	-
Audit fees	242,884	46,264	289,149	-
IPEC levies	141,955	27,039	168,994	-
Legal fees	588,021	112,004	700,026	-
Amortisation, depreciation and impairment of operating assets	80,156	-	80,156	-
Administration fees	2,765,586	526,779	3,292,365	-

Total expenditure	12,148,767	4,776,044	16,924,811	85,781
Fund at end of period	461,810,608	63,166,289	524,976,897	2,159,814

Appendix II: Fund Risks

Nature of benefits

The Fund is a DB Fund. In a DB arrangement, the Sponsor Employer is expected to bear the investment and experience risks of the Fund and the benefits are guaranteed by the Sponsoring.

The Sponsor of the Fund is therefore exposed to the following risks:

Return shortfall risk

Return shortfall risk is the risk of falling short of the 8.5% actuarial interest rate assumption. The actuarial valuation assumption is based on 8.5% expected return on assets. Long-term investment returns less than the assumed 8.5% will result in increased annual funding requirements as a percent of Pensionable remuneration over the long run. A high allocation to interest bearing securities is likely to increase this risk.

Salary increase risk

If salaries increase at a rate greater than assumed, the past service accrued liabilities may be higher than projected. For a fund that is solvent at a given date, it is hoped that investment return earned by the assets will offset the imbalance caused by salary increases. Where salaries are increased at a rate that is greater than the actual investment return, additional contributions may be required from the employer.

Inflation risk

There is risk of reduced purchasing power due to investment returns failing to keep up with inflation.

Inflation risk is the risk to the Fund caused by potentially higher inflation rates. Pension benefits will increase with inflation. High inflation will increase the pension obligation, and ultimately the funding requirements. Fixed interest assets are unlikely to keep up with inflation in the long run.

Expense risk

There is a risk that the level of expenses exceeds budget, leading to further charges on the Fund's assets which may reduce investment returns.

Guaranteed pensions in payment

Pension payments, once set, are guaranteed by default and met directly from the Fund. Therefore, the Employer will take on the investment and mortality risks of paying the annuities.

There is a risk that the Employer may therefore be required to inject additional contributions into the Fund, if actual experience is worse than the experience assumed in setting the annuity conversion rates.

Appendix III: Pension Purchase Factors

Age attained in year of payment	Amount of annual pension purchased at normal retirement age of sixty by total contributions by employee and employer of twenty dollars at the age stated.	
	Males	Females
	\$	\$
18	10.64	9.42
19	10.17	9.02
20	9.73	8.62
21	9.32	8.25
22	8.92	7.9
23	8.52	7.56
24	8.16	7.23
25	7.81	6.92
26	7.47	6.62
27	7.15	6.34
28	6.84	6.07
29	6.55	5.8
30	6.27	5.56
31	6	5.32
32	5.74	5.08
33	5.49	4.87
34	5.25	4.66
35	5.02	4.46
36	4.81	4.27
37	4.6	4.08
38	4.41	3.91
39	4.22	3.73
40	4.03	3.57
41	3.86	3.42
42	3.69	3.27
43	3.53	3.13
44	3.38	3
45	3.23	2.87
46	3.1	2.75
47	2.97	2.62
48	2.83	2.52
49	2.72	2.41
50	2.6	2.3
51	2.48	2.2
52	2.37	2.11
53	2.27	2.02
54	2.17	1.93
55	2.08	1.85
56	1.99	1.77
57	1.91	1.69
58	1.82	1.62
59	1.74	1.55
60	1.71	1.48

Appendix IV: III Health Withdrawal Rates

Age	Males	Females
18	0.050%	0.050%
19	0.050%	0.050%
20	0.050%	0.050%
21	0.050%	0.050%
22	0.050%	0.050%
23	0.050%	0.050%
24	0.050%	0.050%
25	0.050%	0.050%
26	0.050%	0.050%
27	0.050%	0.050%
28	0.050%	0.050%
29	0.050%	0.050%
30	0.100%	0.100%
31	0.100%	0.100%
32	0.100%	0.100%
33	0.100%	0.100%
34	0.100%	0.100%
35	0.200%	0.200%
36	0.200%	0.200%
37	0.200%	0.200%
38	0.200%	0.200%
39	0.200%	0.200%
40	0.300%	0.300%
41	0.300%	0.300%
42	0.300%	0.300%
43	0.300%	0.300%
44	0.300%	0.300%
45	0.500%	0.500%
46	0.500%	0.500%
47	0.500%	0.500%
48	0.500%	0.500%
49	0.500%	0.500%
50	0.500%	0.500%
51	0.500%	0.500%
52	0.500%	0.500%
53	0.500%	0.500%
54	0.500%	0.500%
55	0.500%	0.500%
56	0.500%	0.500%
57	0.500%	0.500%
58	0.500%	0.500%
59	0.500%	0.500%

Appendix V: Withdrawal Rates

Age	Males	Females
18	12.000%	12.000%
19	12.000%	12.000%
20	12.000%	12.000%
21	12.000%	12.000%
22	12.000%	12.000%
23	12.000%	12.000%
24	12.000%	12.000%
25	12.000%	12.000%
26	12.000%	12.000%
27	12.000%	12.000%
28	12.000%	12.000%
29	12.000%	12.000%
30	10.000%	10.000%
31	10.000%	10.000%
32	10.000%	10.000%
33	10.000%	10.000%
34	10.000%	10.000%
35	8.000%	8.000%
36	8.000%	8.000%
37	8.000%	8.000%
38	8.000%	8.000%
39	8.000%	8.000%
40	5.000%	5.000%
41	5.000%	5.000%
42	5.000%	5.000%
43	5.000%	5.000%
44	5.000%	5.000%
45	2.500%	2.500%
46	2.500%	2.500%
47	2.500%	2.500%
48	2.500%	2.500%
49	2.500%	2.500%
50	0.000%	0.000%
51	0.000%	0.000%
52	0.000%	0.000%
53	0.000%	0.000%
54	0.000%	0.000%
55	0.000%	0.000%
56	0.000%	0.000%
57	0.000%	0.000%
58	0.000%	0.000%
59	0.000%	0.000%
60	0.000%	0.000%

Appendix VI: Bonuses and Increases Since 1974

PRIOR TO DOLLARISATION			
Year	Interest	Bonus	Pension increases
1974		20%	20%
1977		20%	20%
1980		40%	40%
1983		40%	40%
1986		40%	40%
1989		40%	40%
1990		10%	10%
1991		15%	15%
1992		12.5%	12.5%
1993		12.5%	12.5%
1994		15%	15%
1995		15%	15%
1996		10%	15%
1997		10%	15%
1998		15%	15%
1999		45%	10%
2000	6% for each year of service to 31 December 2001	45%	45%
2001		45%	75%
2002	133.20%	120%	100%
2003	358.98%	333%	310%
2004	430.00%	400%	200%
2005	430.00%	400%	820%
2006	1,172%	1,100%	3,728%
2007	116,606%	110,000%	105,088%
2008	31,800,000,000,000%	30,000,000,000,000%	23,767,705,520,248%
2009	6%	5%	70%
2010	6%	2%	0%
2011	6%	1%	3.5%
2012	-5.2%	-11.2%	0%
2013	6%	0%	0%
2014	-6.3%	-12.3%	0%
2015	-13.3%	-19.3%	0%
2016	8.4%	2.4%	0%
2017	28.9%	22.9%	24.9%
2018	14.2%	8.2%	9.7%
2019			
sub-account 1	490%	457%	465%
sub-account 2	43%	35%	
2020			
sub-account 1	508%	474%	482%
sub-account 2	349%	324%	
2021			
sub-account 1	176.32%		176.32%
sub-account 2	336.96%		
sub-account 3	71.42%		
2022			
sub-account 1	260.07%	33.69%	257.95%

<i>sub-account 2</i>	356.13%	27.96%	
<i>sub-account 3</i>	0.29%*	0.00*	
2023			
<i>Sub-account 1</i>	1117.83%	222.00%	200.00%
<i>Sub-account 2</i>	306.55%	0.00%	
<i>Sub-account 3</i>	0.00%	-40.00%	
05 April 2024			
<i>Sub-account 1</i>	318.12%	334.80%	0.00%
<i>Sub-account 2</i>	257.82%	32.42%	0.00%
<i>Sub-account 3</i>	219.47%	0.00%	0.00%
Dec 2024			
<i>Sub-Account A1</i>	128.96%	2,631.16%	286.53%
<i>Sub-Account A2</i>	84.37%	72.86%	286.53%
<i>Sub-Account B</i>	4.68%	-48.30%	0.00%

***restated**

Appendix VII: Data Certification by Revaluation Actuary

I, the undersigned, am unable to certify that the data used for the purposes of determining and distributing Revaluation Gains which arose due to the 2019 currency reforms for **THE CATERING INDUSTRY PENSION FUND** is sufficient, based upon information and belief formed after reasonable inquiry.

However, I am able to certify that allowing for the asset values and data provided and taking into account the level of reserves established, that the Fund will be in a sound financial position at the valuation date if the recommended bonuses, interest rates and pension increases are adopted.

I also confirm that I have done the following before distribution of the Revaluation Gains;

- a. Checked the adequacy/sufficiency of data as at 31 December 2024.
- b. Reconciled the membership as at 05 April 2024 with that as at 31 December 2024.

Name of the Revaluation Actuary:

Sandra Makoni

Actuary's Professional Principal Regulator:

Institute and Faculty of Actuaries, UK

Signature:



Date:

20 April 2025

Appendix VIII: Certification of the Asset and Liability Calculation Method and Assumptions by the Revaluation Actuary

I, the undersigned, hereby certify that all the calculations for the purposes of determining and distributing Revaluation Gains for **THE CATERING INDUSTRY PENSION FUND** as at 30 June 2024 were done in accordance with the “Guideline for the Insurance and Pensions Industry on Adjusting Insurance and Pension Values in Response to Currency Reforms”.

I also confirm that I have, subject to the data issues already mentioned, done the following before distribution of the Revaluation Gains;

- a. Checked the values of assets and accuracy of liabilities as at 31 December 2024.
- b. Reconciled the assets and liabilities by categories of pension membership and between Sub-Account A1 and Sub-Account A2 and Sub-Account B between 5 April 2024 and the current measurement date, 31 December 2024.
- c. Ensured equity in the distribution of Revaluation Gains between insurance and pension liabilities and between old and newer policyholders/scheme members.

Name of the Revaluation Actuary:

Sandra Makoni

Actuary's Professional Principal Regulator:

Institute and Faculty of Actuaries, UK

Signature:



Date:

20 April 2025

**Appendix IX: Certification of the Solvency Position of the Fund by the Revaluation
Actuary: Pension and Provident Funds**

I, the undersigned, hereby certify that, based on the asset values and data provided, and taking into account the level of reserves established, **THE CATERING INDUSTRY PENSION FUND** is solvent on an ongoing basis as at 31 December 2024 as shown in the table below.

This is after adjusting Fund member values based on calculations in terms of the “Guideline for the Insurance and Pensions Industry on Adjusting Insurance and Pension Values in Response to Currency Reforms”.

Category	Sub-Account A1 (ZWG)	Sub-Account A2 (ZWG)	Total ZWG	Sub Account B (USD)
Active Members	61,128,187	30,586,696	91,714,883	1,797,118
Deferred Members	287,013,321	12,570,749	299,584,070	247,003
Exited	3,929,874	331,870	4,261,744	12,285
Preserved Members	24,950,376	142,931	25,093,307	11,617
Aged over 60	1,008,109	79,255	1,087,364	2,828
Pensioners Capital Values	26,758,927	10,179,254	36,938,181	-
Pension backpay	40,792	10,703	51,495	-
Data Uncertainty Reserve	2,071,752	987,659	3,059,411	-
Expense Reserve	2,244,824	1,053,496	3,298,320	67,365
Asset Reserve	46,216,324	6,316,628	52,532,953	-
Compensation levy	6,447,122	907,048	7,355,170	21,599
Total Liabilities	461,810,608	63,166,289	524,976,898	2,159,815
Total Assets	461,810,608	63,166,289	524,976,898	2,159,815
Surplus/ (Deficit)	-	-	-	-
Funding Level	100%	100%	100%	100%

Name of the Revaluation Actuary:

Sandra Makoni

Actuary's Professional Principal Regulator:

Institute and Faculty of Actuaries, UK

Signature:



Date:

20 April 2025