

METAL INDUSTRIES PROVIDENT FUND

REGISTRATION NO. 12/8/25718/1

ANNUAL REPORT TO MEMBERS 2011

Dear Member,

The Board of Management has pleasure in presenting a report on the Fund for the period ended 31 March 2011.

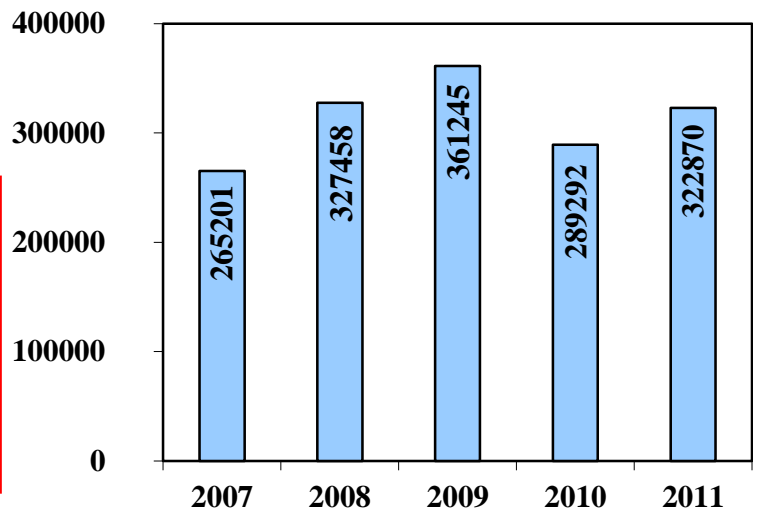
The **Metal Industries Provident Fund** was established in May 1991 and provides lump sum benefits to members on retirement, retrenchment, resignation or dismissal or to their beneficiaries on their death. Members also automatically belong to the **Metal and Engineering Industries Permanent Disability Scheme**, which provides a salary continuation benefit for members who have been declared permanently disabled by the Medical Advisors of the Scheme.

Contributions payable to the Fund in terms of the Industrial Agreement are **6,6%** of pensionable remuneration by employees and **6,6%** by employers.

As at 31 March 2011, the Fund had **322 870** contributing members.

NOTE:

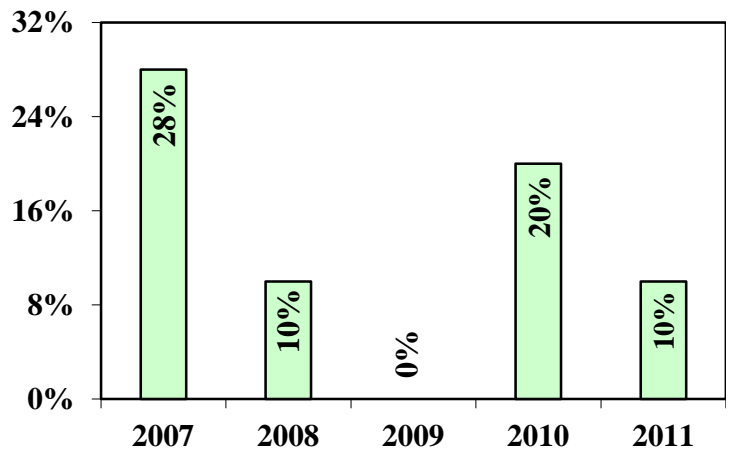
New employees have the choice of participating in the Metal Industries Provident Fund or in the Engineering Industries Pension Fund. This option may be changed within the first 3 months of Employment.



CONTRIBUTING MEMBERS

INTEREST AWARDED ON MEMBERS' FUND CREDITS

The Board of Management has agreed to award members **10%** interest for the year ended 31 March 2011.



INTEREST AWARDED TO MEMBERS

FINANCIAL RESULTS AS AT 31 MARCH 2011

BALANCE SHEET

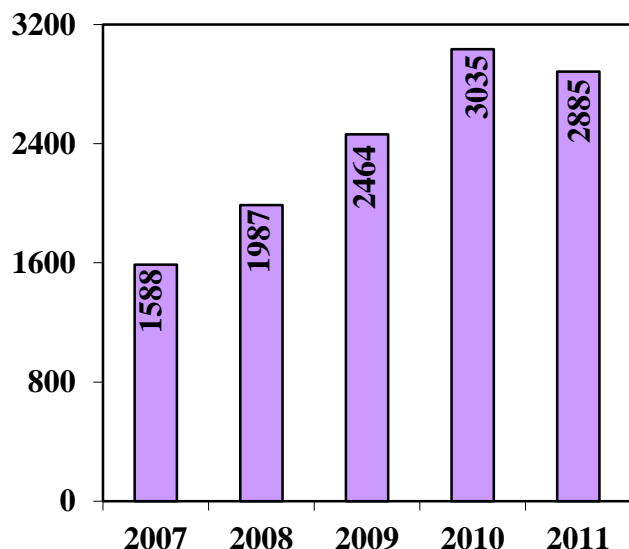
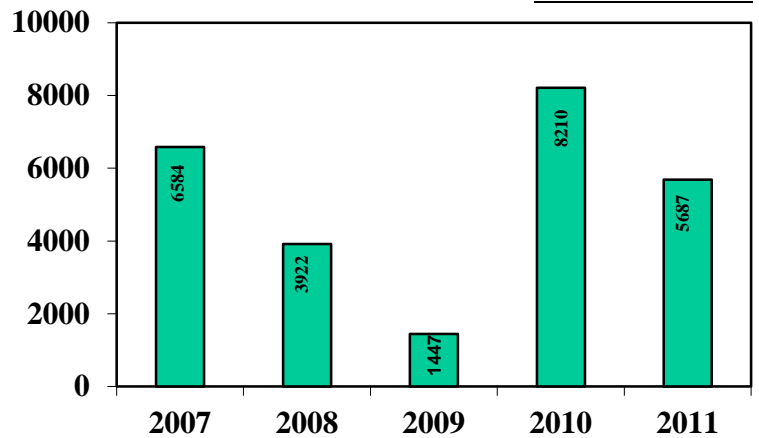
| | |
|--------------------------------------|--------------------|
| | <u>R'000</u> |
| INVESTMENTS (AT MARKET VALUE) | 29 419 095 |
| CURRENT ASSETS | 491 098 |
| LESS CURRENT LIABILITIES | <u>(3 378 681)</u> |
| ACCUMULATED FUNDS | <u>26 531 512</u> |

REVENUE AND EXPENDITURE

| | |
|--|--------------------|
| CONTRIBUTIONS RECEIVED | 2 328 405 |
| TRANSFERS RECEIVED | 73 052 |
| INVESTMENT INCOME | <u>3 359 054</u> |
| <u>TOTAL REVENUE</u> | 5 760 511 |
| LESS: ADMINISTRATION EXPENSES | (91 626) |
| BENEFITS PAID | (2 885 542) |
| TRANSFERS OUT | <u>(100 029)</u> |
| <u>TOTAL EXPENDITURE</u> | <u>(3 077 197)</u> |
| ADD ACCUMULATED FUNDS AT BEGINNING OF YEAR | <u>23 848 198</u> |
| ACCUMULATED FUNDS AT END OF YEAR | <u>26 531 512</u> |

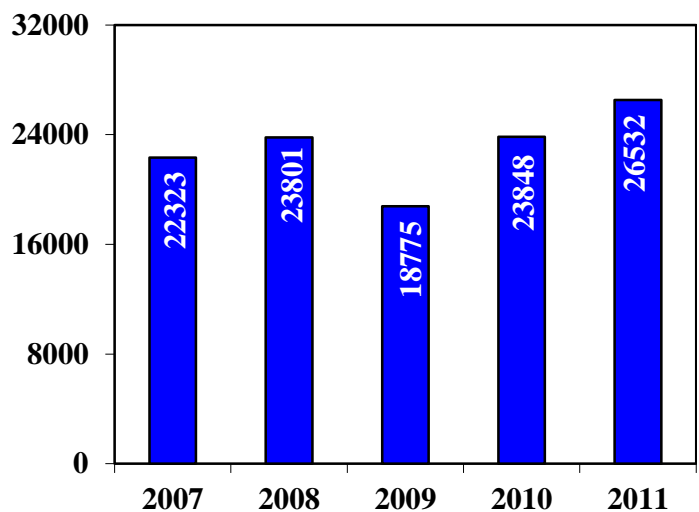
**CONTRIBUTIONS RECEIVED,
INVESTMENT INCOME AND BENEFITS
PAID**

Income from investments earned by the Fund during period amounted to **R3 359m** whilst contributions by members and employers amounted to **R2 328m**. Thus total income excluding transfers amounted to **R5 687m**.



BENEFITS PAID Rm

CONTRIBUTION AND INVESTMENT INCOME Rm



ASSETS Rm

ACTUARIAL REVIEW AS AT 31 MARCH 2010

In terms of the Pension Funds Second Amendment Act of 2007, the Surplus Apportionment date (SAD) of the Fund is 31 March 2008.

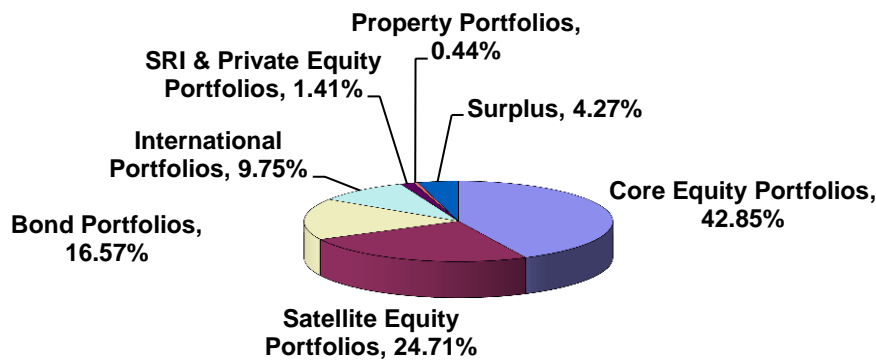
The Trustees of the Fund have finalized the Surplus Apportionment Scheme and it was submitted to the Financial Service Board on 31 August 2011 for approval. A separate brochure setting out the details of the Surplus Apportionment Scheme was circulated to the Industry during July 2011.

An actuarial review by Simeka Actuaries (previously Sanlam Actuaries) was carried out as at 31 March 2010 to assess the financial position of the Fund and to recommend an interest rate to be declared on your fund credits.

The actuary certified that the Fund was in a sound financial position as at 31 March 2010.

ASSETS

As at the 31 March 2011 the assets of the Fund amounted to **R26 532m**. The assets were held in the following types of investments, per market values, as set out in the notes to the Financial Statements.



INTEREST DECLARATION ON MEMBERS' FUND CREDITS

The Board of Management in consultation with the Actuary to the Fund declared an interest rate of **10 %** for the period ended 31 March 2011.

| PERIOD | FUND INTEREST | PERIOD | FUND INTEREST |
|---------------------|---------------|---------------------|---------------|
| 01/05/91 – 30/06/92 | 15% | 01/01/01 - 31/12/01 | 15% |
| 01/07/92 – 28/02/93 | 13% | 01/01/02 – 31/03/03 | 0% |
| 01/03/93 – 31/12/93 | 11% | 01/04/03 – 31/03/04 | 15% |
| 01/01/94 – 31/12/94 | 22% | 01/04/04 - 31/03/05 | 15% |
| 01/01/95 – 31/12/95 | 19% | 01/04/05 – 31/03/06 | 21% |
| 01/01/96 – 31/12/96 | 21% | 01/04/06 -31/03/07 | 27,7% |
| 01/01/97 – 31/12/97 | 15% | 01/04/07 - 31/03/08 | 10% |
| 01/01/98 - 31/12/98 | 9% | 01/04/08 – 31/03/09 | 0% |
| 01/01/99 – 31/12/99 | 8% | 01/04/09 – 31/03/10 | 20% |
| 01/01/00 – 31/12/00 | 9% | 01/04/10 – 31/03/11 | 10% |

It was further declared that the interim interest rate from 1 April 2011 would be **2%**.

FUND MANAGEMENT

The management of the Fund is vested in a Board of Management, comprising an **equal** number of Employee and Employer representatives, with the Chairman being appointed from either side on a two year rotational basis.

The Employers are represented by the **Steel & Engineering Industries Federation of South Africa (SEIFSA)**, whilst the Employees are represented by the following Trade Unions:-

- **National Union of Metal Workers of South Africa (NUMSA)**
- **Solidarity**
- **Metal & Electrical Workers' Union of South Africa (MEWUSA)**
- **United Association of South Africa (UASA)**
- **South African Equity Worker's Association (SAEWA)**

The Fund is administered by: **Metal Industries Benefit Funds Administrators (MIBFA)**

The Chairman: **Mr. C. Boyes**

The Vice Chairman: **Mr. V. Cibane**

The Fund's Auditors: **Ernst & Young/Xabiso Accountants & Auditors**

The Fund's offices: **Metal Industries House, 42 Anderson Street, Johannesburg**

Telephone Number: **(011) 870-2000**

Facsimile: **(011) 870-2396**

Principal Officer: **Mr. O Gire**

Website: **www.mibfa.co.za**

All claims related queries should be addressed to the MIBFA call center on the following number: 0860102544