



ENGINEERING INDUSTRIES PENSION FUND

(REG NO. 12/8/5040/2)

ANNUAL REPORT TO MEMBERS – 31 MARCH 2015

Dear Member,

The Board of Management has pleasure in presenting a report on the position of the Fund for the financial year ended 31 March 2015. The Engineering Industries Pension Fund is one of the largest Pension Funds in the country with total assets exceeding R58,3 billion (Fifty eight thousand three hundred million rands) at market value.

The Fund provides pension and lump sum benefits on retirement, retrenchment/redundancy and withdrawals to members or to their beneficiaries on their death. Members 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.

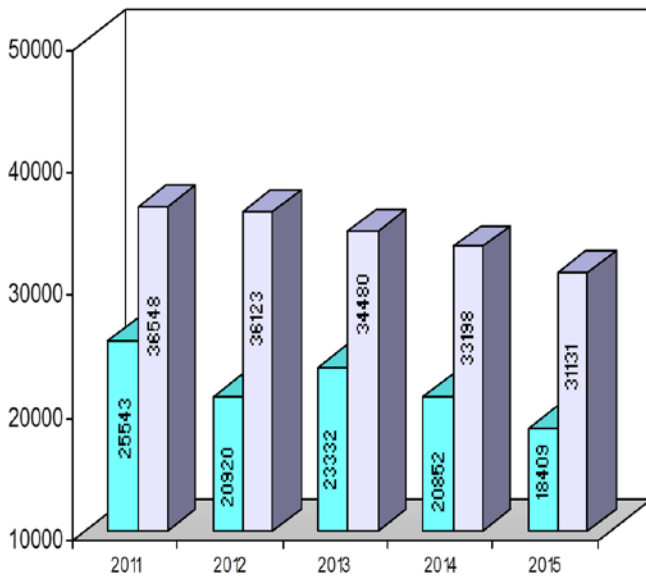
Note:

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

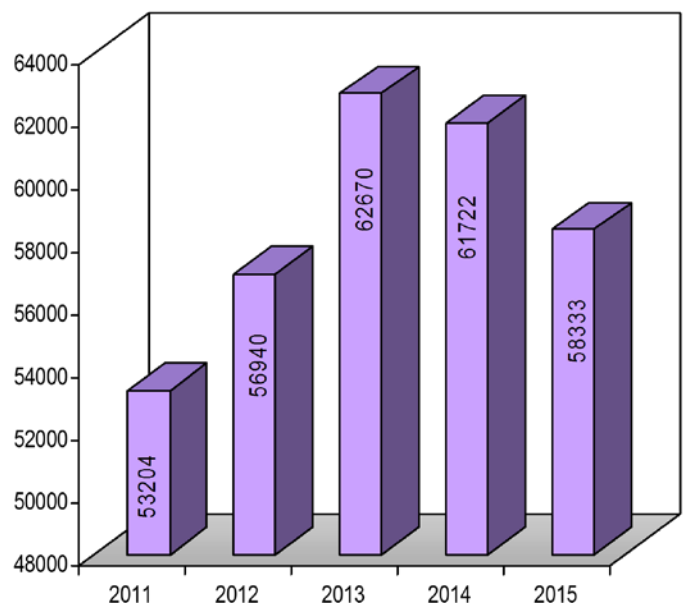
MEMBERSHIP

The composition of the Fund as at 31 March 2015 was 18 409 contributing members and 31 131 pensioners in receipt of monthly payments. (In 2014, there were 20 852 contributing members and 33 198 pensioners).

**CONTRIBUTING MEMBERS
AND PENSIONERS**



**ASSETS
(MARKET VALUE)
(R000,000'S)**



■ CONTRIBUTING MEMBERS
 ■ NUMBER OF PENSIONERS

FINANCIAL RESULTS AS AT 31 MARCH 2015

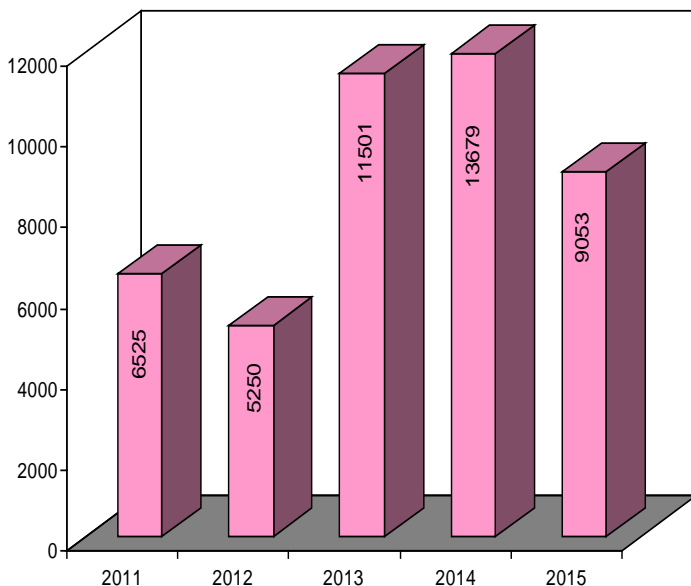
The audited financial position of the Fund as at 31 March 2015 is summarised as follows:

BALANCE SHEET AS AT 31 MARCH 2015		2015
		R 000's
FIXED ASSETS & INVESTMENTS (AT MARKET VALUE)		72 040 702
CURRENT ASSETS		751 964
SUB TOTAL		72 792 666
LESS: CURRENT LIABILITIES		(14 459 514)
ACCUMULATED FUNDS TOTAL		58 333 152
REVENUE AND EXPENDITURE - 1 APRIL 2014 TO 31 MARCH 2015		2015
		R 000's
CONTRIBUTIONS RECEIVED		420 047
TRANSFERS RECEIVED		950
INVESTMENT INCOME		8 631 922
TOTAL INCOME		9 052 919
LESS: TOTAL EXPENSES (including risk premiums)		(196 544)
BENEFITS PAID AND TRANSFERS OUT		(12 244 926)
NET EXPENDITURE		(3 388 551)
ADD: ACCUMULATED FUNDS AT BEGINNING OF YEAR		61 721 703
ACCUMULATED FUNDS AT END OF YEAR		58 333 152

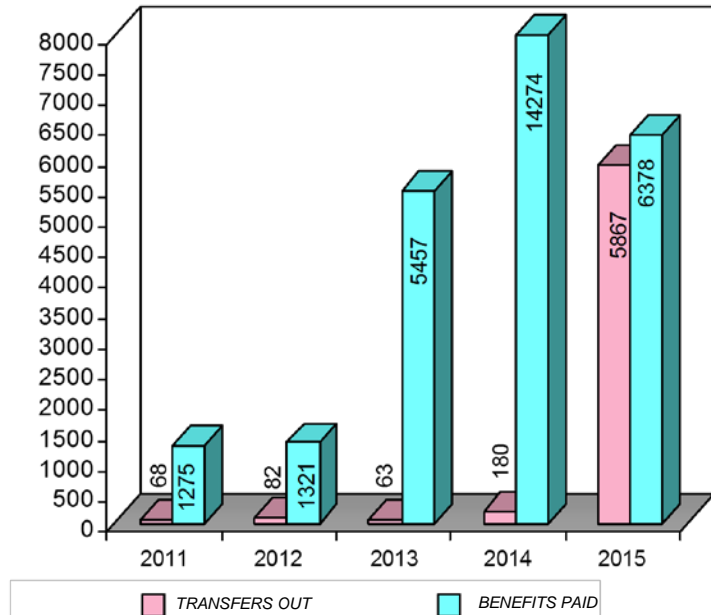
INCOME AND BENEFITS PAID

Contribution and Investment income for 2015 amounted to R9 053 million. Benefits paid and transfers out of the Fund totalled (R12 245 million). In terms of the Industrial Agreement, members contribute 7% of pensionable remuneration. Employers contribute at a rate of 7% of pensionable remuneration.

CONTRIBUTION AND INVESTMENT INCOME (R000,000'S)



BENEFITS PAID AND TRANSFERS OUT (R000,000'S)

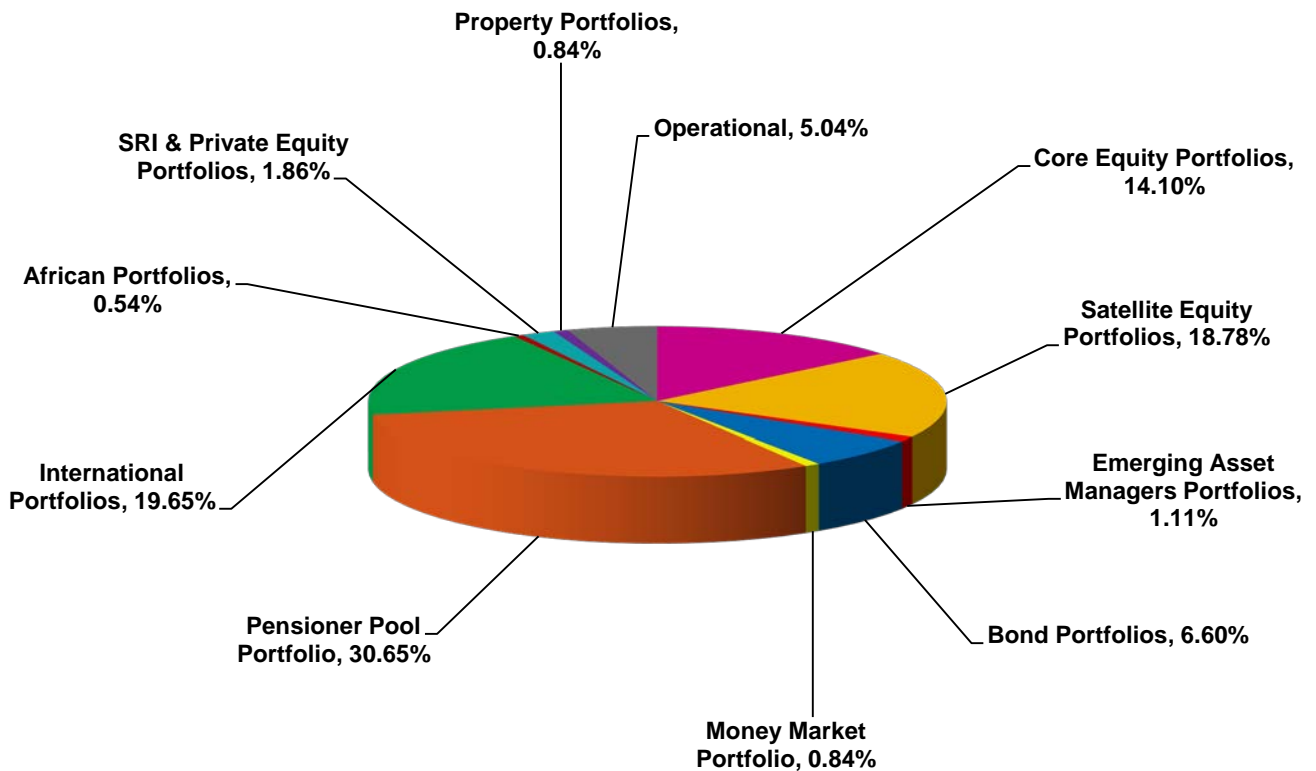


ASSETS

As at 31 March 2015, the total market value of the assets of the Fund amounted to R58 333 million.

These assets were held in the following types of investments (per market values as set out in the Audited Annual Financial Statements).

Engineering Industries Pension Fund March 2015



The Investments department of MIBFA managed 44.08 % of the investment portfolio, the balance being managed by external managers.

ACTUARIAL REVIEW AS AT 31 MARCH 2014

The Actuary confirmed that the Fund was in a sound financial position as at 31 March 2014.

PENSION INCREASES

The Board of Management has as one of its primary objectives the protection of pensions from the impact of inflation. It has declared a 6% increase in pensions with effect from 1 July 2015.

It is the policy of the Board of Management that pensioner increases should at least match the inflation rate, where affordable.

The historic pension increases declared by the Fund since 1991 are summarised as follows:

PERIOD	ANNUAL INCREASE	BONUS	TOTAL INCREASE
01.07.1990 – 30.06.1991	10%	5%	15%
01.07.1991 – 30.06.1992	10%	-	10%
01.07.1992 – 30.06.1993	10%	-	10%
01.07.1993 – 30.06.1994	10%	10%	20%
01.07.1994 – 30.06.1995	10%	-	10%
01.07.1995 – 30.06.1996	9,75%	-	9,75%
01.07.1996 – 30.06.1997	11%	-	11%
01.07.1997 – 30.06.1998	10%	-	10%
01.07.1998 – 30.06.1999	7%	-	7%
01.07.1999 – 30.06.2000	8%	-	8%
01.07.2000 – 30.06.2001	7%	-	7%
01.07.2001 – 30.06.2002	9,5%	-	9,5%
01.07.2002 – 30.06.2003	7%	-	7%
01.07.2003 – 30.06.2004	7%	-	7%
01.07.2004 – 30.06.2005	7,5%	-	7,5%
01.07.2005 – 30.06.2006	7%	-	7%
01.07.2006 – 30.06.2007	9%	-	9%
01.07.2007 – 30.06.2008	10%	-	10%
01.07.2008 – 30.06.2009	10%	-	10%
01.07.2009 – 30.06.2010	0%	-	0%
01.07.2010 – 30.06.2011	5%	-	5%
01.07.2011 – 30.06.2012	7%	-	7%
01.07.2012 – 30.06.2013	6%	-	6%
01.07.2013 – 30.06.2014	6%	-	6%
01.07.2014 – 30.06.2015	6%	-	6%
01.07.2015 – 30.06.2016	6%	-	6%

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 yearly rotational basis.

Employers are represented by the Steel and Engineering Industries Federation of South Africa (SEIFSA) while Employees are represented by the following Trade Unions:

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

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

The Fund's offices are located in Metal Industries House, 42 Anderson Street, Johannesburg.

Chairman: **Mr. V. Cibane**

The Fund's Auditors are: **Ernst & Young and Xabiso**

Principal Officer : **Mr. O. Gire**

The Funds Telephone number : **(011) 870-2000**

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

**ALL CLAIMS RELATED QUERIES
TO BE DIRECTED
TO MIBFA CALL CENTRE TEL NO. 0860102544**