

ANNUAL REPORT TO MEMBERS – 31 MARCH 2023

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 2023. The Engineering Industries Pension Fund is one of the largest Pension Funds in the country with total assets of R81.3 billion (Eighty one 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.

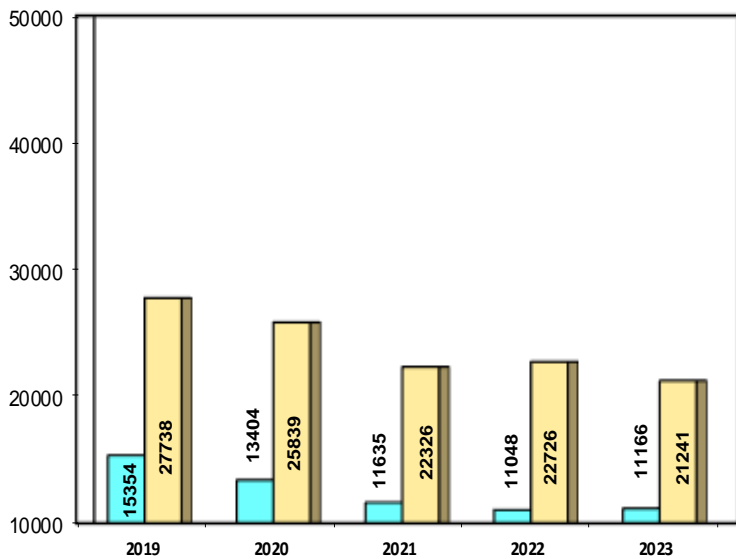
Note:

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

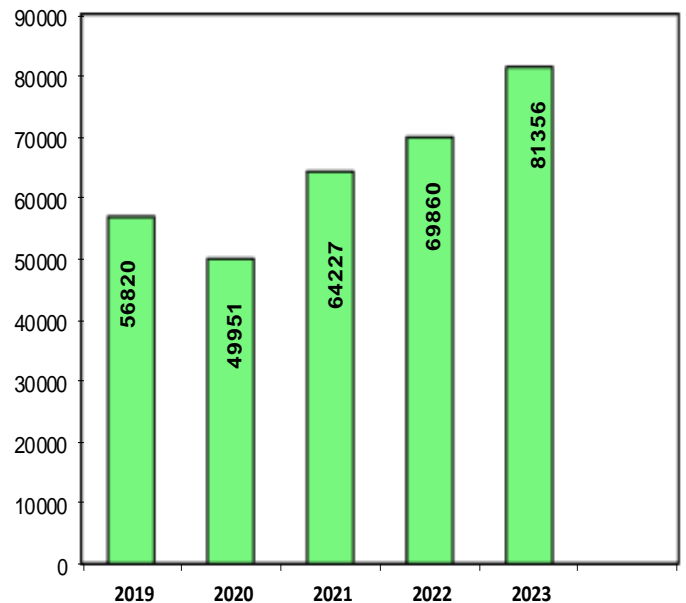
The composition of the Fund as at 31 March 2023 was 11 166 contributing members and 21 241 pensioners in receipt of monthly payments. (In 2022, there were 11 048 contributing members and 22 726 pensioners).

**CONTRIBUTING MEMBERS
AND PENSIONERS**



■ CONTRIBUTING MEMBERS ■ NUMBER OF PENSIONERS

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



FINANCIAL RESULTS AS AT 31 MARCH 2023

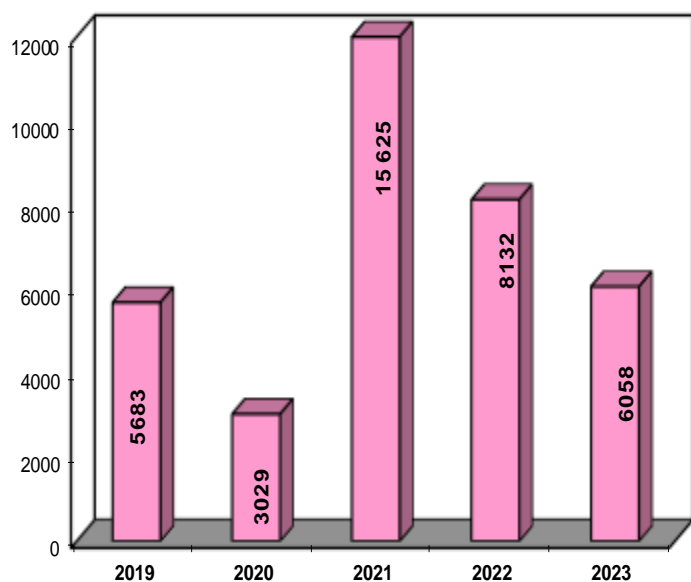
The audited financial position of the Fund as at 31 March 2023 is summarised as follows:

BALANCE SHEET AS AT 31 MARCH 2023		2023
		R 000's
<i>FIXED ASSETS & INVESTMENTS (AT MARKET VALUE)</i>		81 372 819
<i>CURRENT ASSETS</i>		574 270
<i>SUB TOTAL</i>		81 947 089
<i>LESS: CURRENT LIABILITIES</i>		(591 185)
<i>ACCUMULATED FUNDS</i>	<i>TOTAL</i>	81 355 904
<i>REVENUE AND EXPENDITURE -</i>		<i>2023</i>
<i>1 APRIL 2022 TO 31 MARCH 2023</i>		<i>R 000's</i>
<i>CONTRIBUTIONS RECEIVED</i>		357 524
<i>TRANSFERS RECEIVED</i>		16 752
<i>INVESTMENT INCOME</i>		5 683 938
<i>TOTAL INCOME</i>		6 058 214
<i>LESS: TOTAL EXPENSES (including risk premiums)</i>		(236 888)
<i>BENEFITS PAID AND TRANSFERS OUT</i>		(2 726 571)
<i>NET EXPENDITURE</i>		3 094 755
<i>ADD: ACCUMULATED FUNDS AT BEGINNING OF YEAR</i>		78 261 149
<i>ACCUMULATED FUNDS AT END OF YEAR</i>		81 355 904

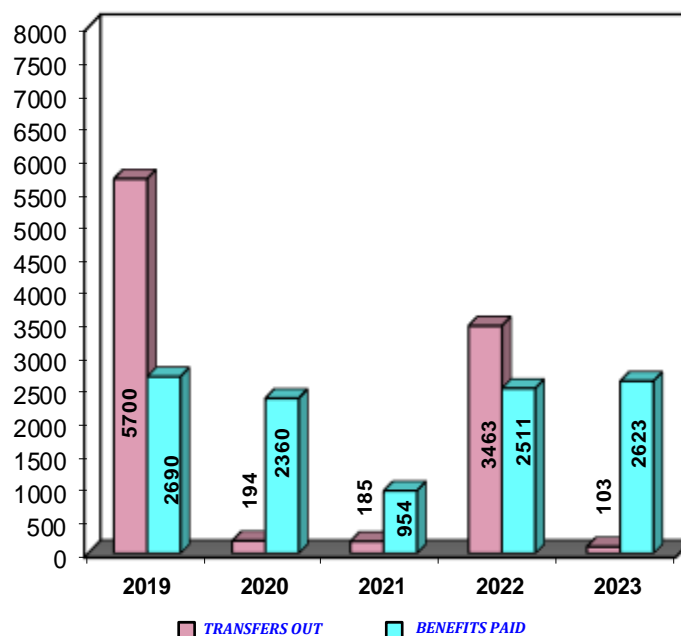
INCOME AND BENEFITS PAID

Contribution and Investment income for 2023 amounted to R6 058 million. Benefits paid and transfers out of the Fund totalled (R2 726 million). In terms of the Fund Rules and Industrial Agreement, members contribute 7.5% of pensionable remuneration. Employers contribute at a rate of 7.9% of pensionable remuneration.

**CONTRIBUTION AND
INVESTMENT INCOME
(R000,000'S)**



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

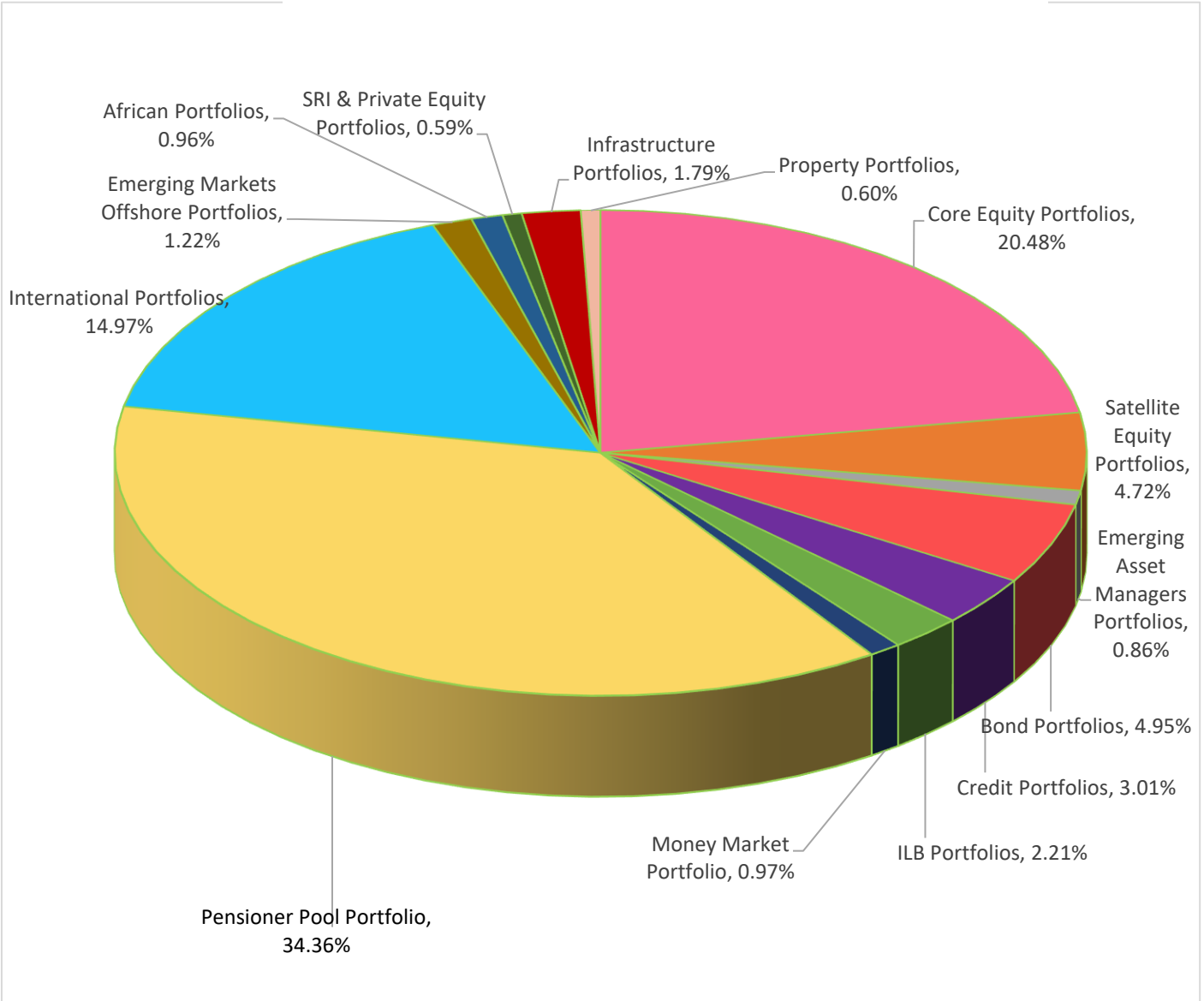


ASSETS

As at 31 March 2023, the total market value of the assets of the Fund amounted to R81 356 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 2023



The Investments department of MIBFA managed 37,42 % of the investment portfolio, the balance being managed by external managers.

ACTUARIAL REVIEW AS AT 31 MARCH 2022

The Actuary confirmed that the Fund was in a sound financial position as at 31 March 2022 with a funding level of 107,4%.

PENSIONER 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 7.5% increase in pensions with effect from 1 July 2023.

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.

PERIOD	ANNUAL INCREASE
01.07.2017 – 30.06.2018	6.1%
01.07.2018 – 30.06.2019	5%
01.07.2019 – 30.06.2020	4.5%
01.07.2020 – 30.06.2021	4.2%
01.07.2021 – 30.06.2022	5% <i>(Plus a once off bonus of 2 X Monthly Pensions)</i>
01.07.2021 – 30.06.2023	7.5% <i>(Plus a once off bonus of 1.5 X Monthly Pensions)</i>
01.07.2023 – 30.06.2024	7.5% <i>(Plus a once off bonus of 2 X Monthly Pensions)</i>

INTEREST DECLARATION ON MEMBERS' FUND CREDITS

The Board of Management in consultation with the Actuary to the Fund declared an interest rate of 7% for the period ended 31 March 2023.

PERIOD	FUND INTEREST
01.04.2017 – 31.03.2018	8%
01.04.2018 – 01.03.2019	8%
01.04.2019 – 01.03.2020	0%
01.04.2020 – 01.03.2021	26%
01.04.2021 – 01.03.2022	14%
01.04.2022 – 01.03.2023	7%

It was further declared that the exit bonus for members leaving the fund is currently 27%, on a sliding scale based on contributory service.

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 Chairperson 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.

Chairperson: **Mr. R. Rajcoomar**

The Fund's Auditors are: **Ernst & Young Inc.**

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**