



METAL INDUSTRIES PROVIDENT FUND

REGISTRATION NO. 12/8/25718/1

ANNUAL REPORT TO MEMBERS 2020

Dear Member,

The Board of Management has pleasure in presenting a report on the Fund for the period ended 31 March 2020.

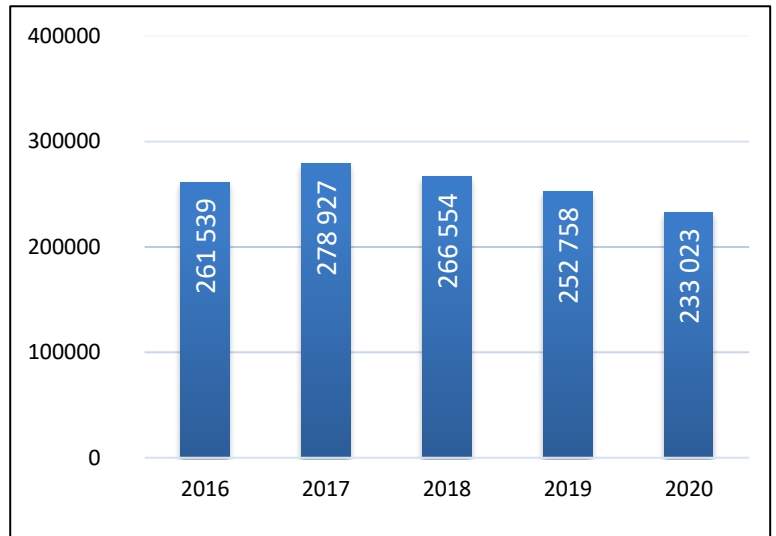
The **Metal Industries Provident Fund** was established in May 1991 and provides lump sum benefits to members on retirement, retrenchment, resignation or dismissal or to their beneficiaries on their death. Members also automatically belong to the **Metal and Engineering Industries Permanent Disability 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 **7, 5%** of pensionable remuneration by employees and **7, 5%** by employers.

As at 31 March 2020, the Fund had **233 023** contributing members.

NOTE:

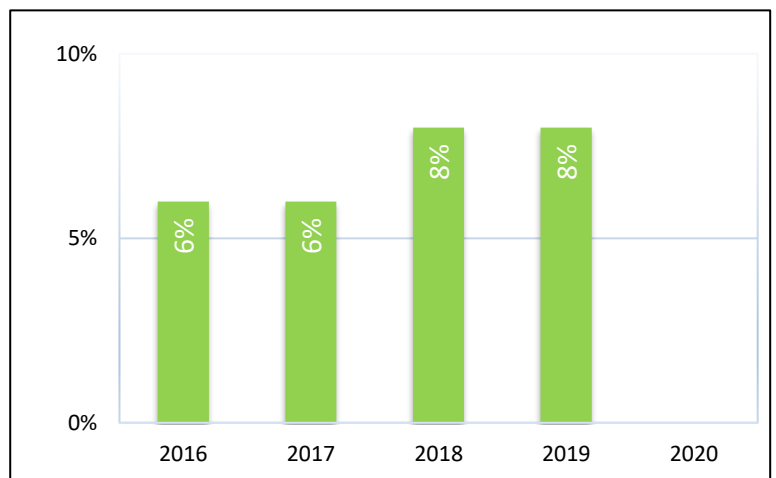
New employees have the choice of participating in the Metal Industries Provident Fund or in the Engineering Industries Pension Fund. This option may be changed within the first 3 months of Employment.



CONTRIBUTING MEMBERS

INTEREST AWARDED ON MEMBERS' FUND CREDITS

The Board of Management has agreed to award members **0%** interest for the year ended 31 March 2020.



INTEREST AWARDED TO MEMBERS

FINANCIAL RESULTS AS AT 31 MARCH 2020

BALANCE SHEET

	R'000
INVESTMENTS (AT MARKET VALUE)	44 533 745
CURRENT ASSETS	412 850
LESS CURRENT LIABILITIES	(9 994 237)
ACCUMULATED FUNDS	<u>34 952 358</u>

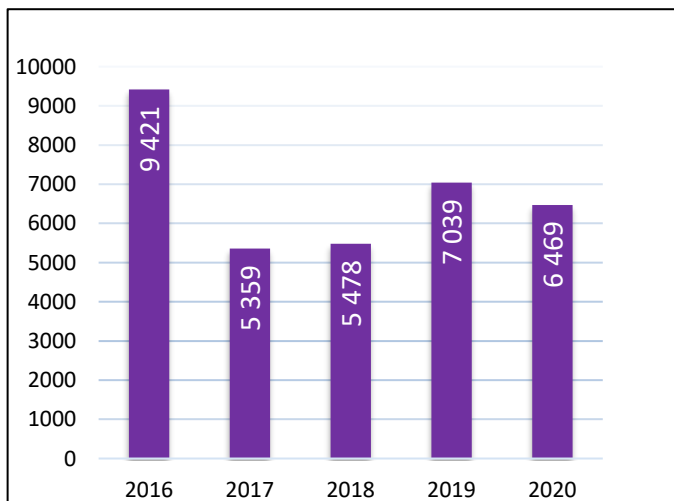
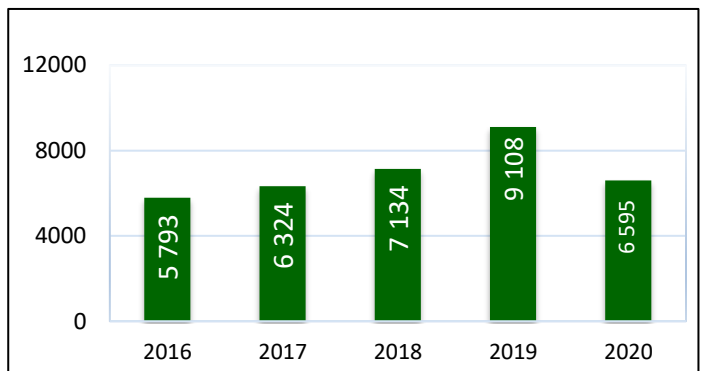
REVENUE AND EXPENDITURE

CONTRIBUTIONS RECEIVED	4 338 639
TRANSFERS RECEIVED	35 314
INVESTMENT INCOME	<u>2 255 667</u>
TOTAL REVENUE	6 629 620
LESS: EXPENSES	(480 983)
BENEFITS PAID & TRANSFERS OUT	(6 938 285)
ADJUSTMENT TO FAIR VALUE	<u>(5 228 065)*</u>
TOTAL EXPENDITURE	(12 647 333)
ADD ACCUMULATED FUNDS AT BEGINNING OF YEAR	<u>40 970 071</u>
ACCUMULATED FUNDS AT END OF YEAR	<u>34 952 358</u>

*The investments declined to R44 533 325 at 31 March 2020 due to covid 19 pandemic. The markets are recovering and were valued at R51 763 875 in July 2020.

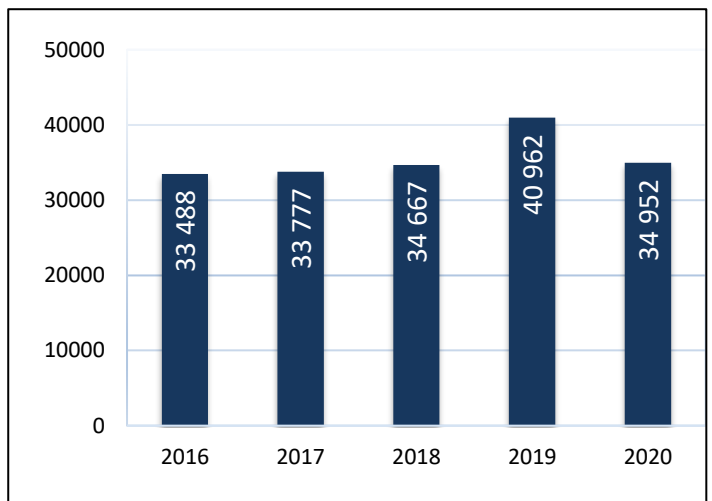
CONTRIBUTIONS RECEIVED, INVESTMENT INCOME AND BENEFITS PAID

Income from investments earned by the Fund during period amounted to **R2 256m** whilst contributions by members and employers amounted to **R4 339m**. Thus total income excluding transfers amounted to **R6 595m**.



BENEFITS PAID Rm

CONTRIBUTIONS AND INVESTMENT INCOME Rm



ASSETS Rm

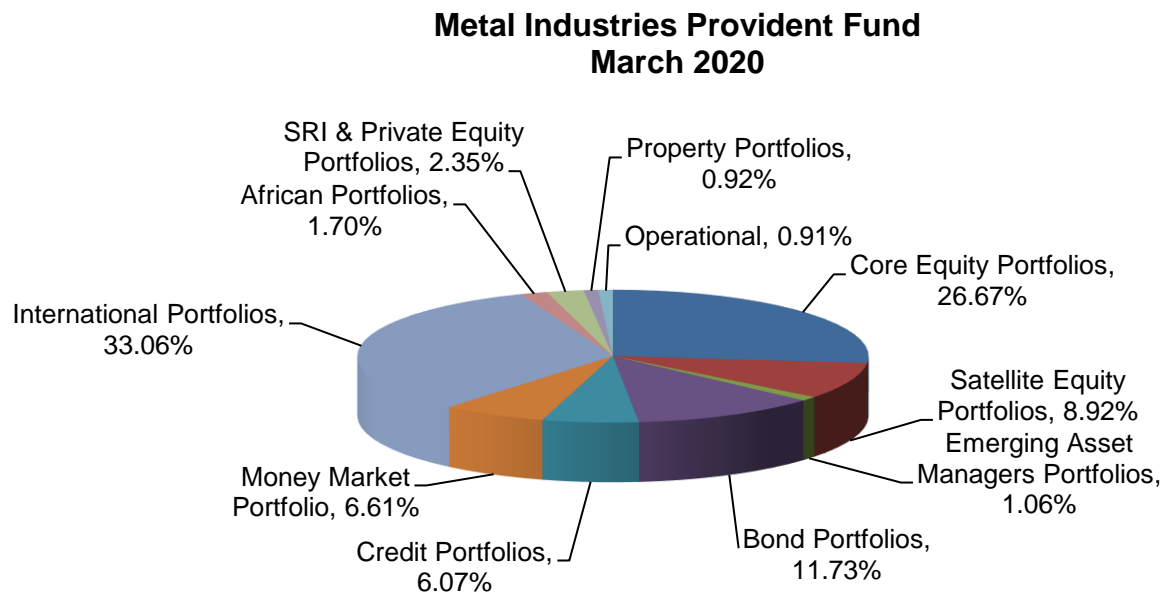
ACTUARIAL REVIEW AS AT 31 MARCH 2019

An actuarial review by Simeka Actuaries (previously Sanlam Actuaries) was carried out as at 31 March 2019 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 2019.

ASSETS

As at the 31 March 2020 the assets of the Fund amounted to **R34 952m**. 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 **0%** for the period ended 31 March 2020.

PERIOD	FUND INTEREST
01/04/12 – 31/03/13	15%
01/04/13 – 31/03/14	20%
01/04/14 – 31/03/15	10%
01/04/15 -31/03/16	6%
01/04/16 - 31/03/17	6%
01/04/17 – 31/03/18	8%
01/04/18 – 31/03/19	8%
01/04/19 – 31/03/20	0%

It was further declared that the interim rate from 1 April 2020 for members leaving the fund is currently **30%**.

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 V. Cibane
The Vice Chairman:	Mr B. Khumalo
The Fund's Auditors:	Ernst & Young Inc.
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:	<u>www.mibfa.co.za</u>

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

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