



ELECTRICAL INDUSTRY KWA-ZULU NATAL PENSION FUND

ANNUAL TRUSTEE REPORT

**FOR THE YEAR ENDING
31 DECEMBER 2024**

FINAL



ELECTRICAL INDUSTRY KWA-ZULU NATAL PENSION FUND

Registration No: 12/08/14479

23 Lennox Road, Greyville, Durban, 4001

Annual Trustee Report (31 December 2024 Annual Financial Statements)

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1. CHAIRPERSON'S FOREWORD

We have seen two powerful forces impact the management of retirement benefit funds over 2024, both of which are likely to have significant impact for years to come

Two-Pot system.

I am pleased to report that the Board has successfully navigated the challenges posed to date by the introduction of the Two-Pot system. The required changes to the Rules of the Fund were passed timeously. The changes to the administration system were successfully completed, and we successfully managed to start receiving savings access claims from "day 1" – 1st September 2024.

My thanks go out to the entire team that ensured that we were ready and capable on time. AlexForbes for their admin systems updates and education material, NMG for their drafting of the required Rule Changes, NBCEI for their persistent pursuit of contact data verification that is such a crucial part of enabling access to claim for our Fund members.

Artificial Intelligence.

Barely does a day go by without news of another amazing step forward in AI and how it is impacting the way we do things. Some of it is genuinely helpful and positive. Unfortunately, AI is also a powerful tool in the hands of bad actors. Cyber security and combatting fraud have been made all the more challenging by the harmful use of powerful AI tools.

While the Two-Pot headlines focused on early member access to savings withdrawals, it is important to note that Two-Pot also means there is a compulsory retirement savings element that remains – to be invested, nurtured and protected by the Fund until the member qualifies for access to those Funds.

The combination of these two forces makes the importance of ensuring that the Fund always has your correct contact details more important than ever before. When you change employers, when you leave the industry, please update any changes to your personal details with NBCEISA to ensure that your most recent contact details are available. The Board of Trustees will always strive to look after your interests. Keeping your contact details up to date is a way you can help us to help you.

Please remember that member queries can also be made via NBCEISA and that Retirement Benefit Counselling is available to you to assist you in making informed decisions whilst planning for your retirement.

Dave Alcock
(Chairperson)



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2. INTRODUCTION

The Trustees ensure that the Fund issue members with Annual Benefit Statements providing Members with details of the benefits held in the Electrical Industry Kwa-Zulu Natal Pension Fund ("The Fund"), accompanied by a Trustee Report providing information about the Fund, any developments in the Fund in particular and in the Retirement Fund Industry in general for the Financial Reporting Year (2024).

The Trustees and Principal Officer are bound by the Rules of the fund, which are available for inspection at the Registered Office of the Fund.

The Annual Trustee Report must be read in conjunction with the Member Booklet.

3. BOARD OF TRUSTEES AS AT 31 DECEMBER 2024

The Board of Trustees of the Fund are as follows and hold office for a period of three (3) years up to 30 June 2025 and for the Independent Trustee (21 May 2024 – 20 May 2027).

FULL NAME		POSITION
Mr Sipho	Mayisela	Member Trustee*
Mr Deon	van Deventer	Member Trustee*
Mr Innocent	Nkabinde	Member Trustee*
Mr Amos	Madonda	Member Trustee*
Mr Dave	Alcock	Employer Trustee
Vacant		Employer Trustee
Mr Paolo	Minichiello	Employer Trustee
Mr Scott	Adams	Employer Trustee
Ms Zanele	Shongwe	Independent Trustee

**The Fund has been granted a Pension Funds Act, Section 7B exemption in terms of the requirements of Section 7A which requires members of the Fund to elect Member Trustees. The Employee Parties to the NBCEISA therefore appoint the Member Trustees.*

The legislated duties of Trustees include the following:

- Ensure that the interests of members are protected
- Act with due care, diligence, and good faith
- Avoid conflict of interests
- Act with impartiality in respect of all members and beneficiaries
- Ensure that proper control systems are in place
- Communicating with members
- Ensure that contributions are paid timeously and in accordance with the Pension



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Funds Act

- Obtain expert advice where applicable
- Ensure that the Rules of the Fund as well as the operation and administration of the Fund comply with the Pension Funds Act
- Ensure that the assets are invested for the benefit of the members of the Fund and in a manner that is appropriate for the membership profile.

The Fund carries Fidelity Insurance that provides cover against losses caused by wrongful acts (i.e. theft, fraud, dishonesty) of officials in carrying out their duties.

All Expert Advisors are required to carry Professional Indemnity Insurance that protects the Fund against losses arising out of errors, omissions, or negligence.

4. FUND BENEFITS AND RELATED ISSUES

Your benefit statement reflects the contribution rates applicable as at 30 June 2024.

Contributions:

Member contributions	7,50%
Employer contributions	7,50%
TOTAL	15,00%

The following deductions are made from the above contributions:

Less (Unapproved benefit¹ premiums paid directly to the Insurers by the NBCEISA):

PHI premium (Disability benefit)	0,69%	(Monthly Remuneration)
Funeral benefit premium	0.33%	(R20 per member per month)
<i>Sub-total (Total contribution paid to AlexForbes by NBCEISA)</i>	13,98%	

Less:

GLA premium (Death benefit): Approved benefit ²	1,45%	(Monthly Pensionable Salary)
Fund expenses ³ (average for the 2024 Financial Reporting Year)	2,58%	
<i>Sub-total</i>	4,03%	

NETT ALLOCATION TO RETIREMENT SAVINGS	9.95%
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(average for Financial Reporting Year)

¹Unapproved benefits	means that the NBCEISA is the policyholder. The benefit will be paid out tax-free, however the monthly premiums are taxed as a fringe benefit in the hands of the employee.
²Approved benefits	means that the Fund is the policyholder and benefits are distributed in terms of Section 37C of the Pension Funds Act. The benefit will be taxed as per the tax scales noted, the monthly premiums are tax deductible.
³Fund Expenses	relates to FSCA Levies, Audit Fees, Administration Fees, Contingency Reserve Account etc.

5. INVESTMENTS

Simeka Consultants and Actuaries are the Fund's Investment Consultants and advise the Board of Trustees on investment related matters. The fair value* of the Funds' assets was R617,689,382 as at 31 December 2024 (31 December 2023: R560,506,628).

Fair value means the estimate of the potential market price of an asset.

The table below illustrates the Asset Managers and Asset Allocation per portfolio as at 31 December (2024 AFS):

YOUNGER MEMBER PORTFOLIO		OLDER MEMBER PORTFOLIO		PENSIONER PORTFOLIO	
Coronation Houseview Equity	5.00%	Coronation Houseview Equity	2.60%	Coronation Houseview Equity	2.60%
Momentum Capped SWIX Equity	12.80%	Momentum Capped SWIX Equity	6.50%	Momentum Capped SWIX Equity	6.60%
Futuregrowth Infrastructure Bond	17.10%	Futuregrowth Infrastructure Bond	42.90%	Futuregrowth Infrastructure Bond	43.70%
BlackRock Emerging Markets Index	3.50%	BlackRock Emerging Markets Index	1.40%	BlackRock Emerging Markets Index	1.40%
BlackRock World Sub Index Equity	27.30%	BlackRock World Sub Index Equity	10.80%	BlackRock World Sub Index Equity	11.20%
Momentum Money Market	0.30%	Momentum Money Market	0.10%	Momentum Money Market	0.10%
Camissa Equity Alpha Fund	5.20%	Camissa Equity Alpha Fund	2.60%	Camissa Equity Alpha Fund	2.70%
Prescient Low Liquidity	0.20%				
Aluwani Active Cash Fund	4.60%	Aluwani Active Cash Fund	8.90%	Aluwani Active Cash Fund	7.50%
Ninety One Global Managed Income	4.60%	Ninety One Global Managed Income	5.20%	Ninety One Global Managed Income	5.10%
Fairtree Equity	4.90%	Fairtree Equity	2.50%	Fairtree Equity	2.50%
SMM Moderate Absolute Fund	9.70%	Amplify SCI Wealth Protector Fund	14.00%	Amplify SCI Wealth Protector Fund	14.00%



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Truffle SCI SA Equity	4.90%	Truffle SCI SA Equity	2.50%	Truffle SCI SA Equity	2.60%
	100%		100%		100%

6. FINANCIAL REPORTING (31 DECEMBER 2024)

The table below illustrates a brief summary of the Audited Annual Financial Statements which confirms the income received by the Fund and the benefits paid out to Members/Beneficiaries during 2024.

The fair value of the Fund's investment, administered by the investment administrator at the end of the year was:

	31 December 2024	31 December 2023
Momentum Multi- Manager Proprietary Limited	617 689 382	556 805 374
Sanlam Life Insurance Limited	0	3 701 254
Total value of investments managed	617 689 382	560 506 628

Active members

At beginning of period	4 186
Additions	674
Transferred from other funds	1
Less:	
Withdrawals	178
Retrenchments	144
Deaths	14
Retirements	11
Adjustments	2
At end of period	4 512

Members at end of period (South African citizen) 4 512

Adjustments

The adjustment of 2 members are due to members loaded on the system twice in error. The adjustment was done to remove the duplication of members.

Pensioners

At beginning of period	120
Less:	
Deaths	11
At end of period	109

Members at end of period (South African citizen) 109



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Report of the Board of Fund

For the period ended 31 December 2024

Unclaimed benefits

At beginning of period	5 807
Additions	1
Less:	
Settled in full	431
Adjustments	614
At end of period	<u>4 763</u>

Members at end of period (South African citizen) 4 763

7. REVIEW OF THE FINANCIAL YEAR'S ACTIVITIES

7.1 Membership

The total number of members as at 31 December 2024 was 9 384 (2023: 10 113)

7.2 Annual Benefit Statement

In terms of Pension Fund Circular Number 86, the Fund is required to provide a member benefit statement to all Members, at least annually. Members are provided with an Annual Benefit Statement to ensure amongst other things that they are satisfied that all the static information reflected is correct and current (i.e., Full Name, Date of Birth, Pensionable Salary, etc.).

The Fund's Financial Year-End is 31 December annually, and members can expect to receive their Annual Benefit Statements during October annually reflecting information at the end of June.

The Member Website is Administered through AlexForbes and Members may register on the Member Website at <https://connect2af.alexforbes.com/> to access more regular information as per the process noted in the Member Booklet.

7.3 Fund Website and Facebook Page

Members are encouraged to visit the Fund website (<https://eifunds.co.za/kzn>) where the Fund Rules and other related information can be accessed. The website is updated from time to time.

The Fund also created a Facebook page where general announcements and information is posted on a regular basis. By following the page at <facebook.com/ECIRegionC> you can add a channel to keep informed of latest developments of the Fund.

8. SUBSEQUENT EVENTS

8.1 Composition of the Board

The Board of Trustees of the Fund are as follows and hold office for a period of three (3)



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years up to 30 June 2028

Mr Scott Adams resigned as Trustee effective 30 June 2025 and an appointment in this regard will be finalised soon.

FULL NAME		POSITION
Mr Sipho	Mayisela	Member Trustee*
Mr Deon	van Deventer	Member Trustee*
Mr Shainel	Mohanlall	Member Trustee*
Mr Amos	Madonda	Member Trustee*
Mr Dave	Alcock	Employer Trustee
Mr Themba	Du Plooy	Member Trustee
Mr Paolo	Minichiello	Employer Trustee
Vacant *		Employer Trustee
Ms Zanele	Shongwe	Independent Trustee

* An Employer Trustee Vacant should be filled by 28 September 2025

8.2 Rule Amendments

8.2.1 Rule Amendment 5

Making provision for the Fund to implement the two-pot legislation with effect from 1 September 2024.

8.2.2 Rule Amendment 6

Providing clarity between the treatment of the distribution of benefits from paid-up and unclaimed benefit members in the event of death.

8.3 Electrical Contracting Industry National Pension Fund

The NBCEISA has negotiated the establishment of a National Pension Fund, with the aim of creating one pension fund for the industry. The Electrical Contracting Industry National Pension Fund was provisionally registered by the Financial Sector Conduct Authority on 30 January 2025, with registration No.:12/8/38249. All new entrants shall be required to participate in the Electrical Contracting Industry National Pension Fund and no new members are to be registered with the Electrical Industry Kwa-Zulu Natal Pension Fund with effect from 1 March 2025. This change will be incorporated in the Revised Rules.

9. REGISTERED ADDRESS OF THE FUND

Address : 23 Lennox Road, Greyville, Durban
Tel : (031) 309 1325