



**Mining Industry Pension Fund**  
*“Cares for your future”*

**BOARD CHAIRPERSON’S REPORT**

**31 DECEMBER 2024**



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## 1. INTRODUCTION

This report provides an update on all aspects of the Fund's operations for the year ended 31 December 2024. The year 2024 saw the introduction of the new currency, ZWG, on the 5<sup>th</sup> of April 2024 and the subsequent revaluation of all assets and liabilities previously denominated in ZWL\$ to ZWG. Overall, the operating environment remained challenging characterised by some companies scaling down operations as reflected in rented space reductions, retrenchments and increase in fixed term contract employment.

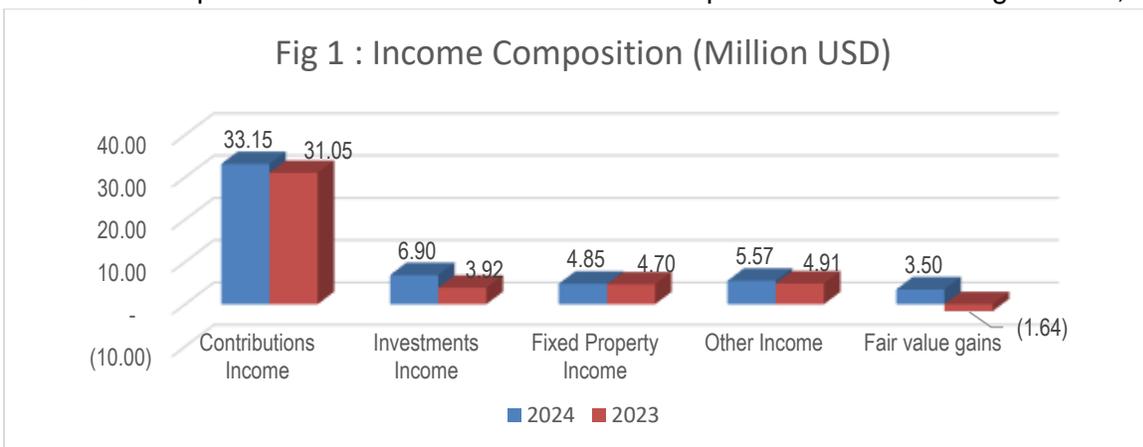
## 2. FINANCIAL PERFORMANCE OVERVIEW (Appendix 1)

The financial performance of the Fund is presented in United States Dollars (USD) for the purposes of this report. As the Fund is trading in multi-currency, the United States dollar transactions were maintained in USD while the local currency (ZWG) transactions were converted to USD at the interbank foreign currency exchange rate and added to the USD transactions to arrive at the reported USD values. However, the ZWG remained the functional and reporting currency of the Fund.

The Fund recorded a surplus equivalent to US\$32.784 million in 2024, 30% up from prior year surplus of US\$25.155 million. Resultantly, the Fund closed the year 2024 with an accumulated fund balance of US\$208.840 million compared to US\$176.056 million for the year 2023.

### 2.1. Income

Total annual income for the year 2024 at US\$53.969 million was 26% above US\$42.941 million recorded in 2023. Of the total income recorded in 2024, 56% was in foreign currency (41%:2023). The growth in USD denominated income was driven by the increase in mines remitting contributions in USD with 46% of contributions for 2024 invoiced in USD compared to 39% in 2023 while USD rental income was 80% up from 38% in 2023. Investment income from dividends and interest was all in USD compared to 98% in 2023. The income composition is shown in Fig 1 below;



### 2.2. Expenditure

Total expenditure for the year 2024 at US\$21.185 million was 19% above the 2023 expenditure of US\$17.785 million. Pension benefits which amounted to US\$9.646 million were 56% above the prior year expenditure mainly driven by pension increases awarded during the year to distribute revaluation gains and the USD cushioning allowances paid to pensioners on a quarterly basis. For the year 2024, pension benefits paid in USD constituted 43% of the pension benefits expenditure while administration expenses paid in USD were 38% of total administration expenses. The Fund's expenditure is largely in local currency. The expenditure composition is summarised in Figure 2 below;

Fig 2 : Expenditure Composition (million USD)



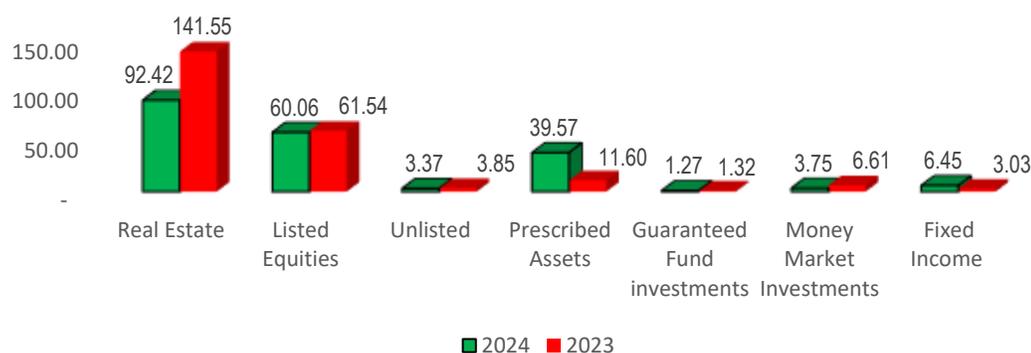
### 2.3 Cash Flows

Total cash inflows for the year 2024 were US\$37.502 million, an increase of 49% over the prior year collections of US\$25.242 million driven by an improvement in income and arrear collections for rentals and contributions. Cash outflows amounted to US\$18.044 million for 2024 and were 10% above the year 2023 outflows of US\$16.380 million. Net cash flows available for investments amounted to US\$19.458 million for the year 2024 compared to US\$18.316 million for 2023. Net investments for 2024 amounted to US\$18.991 million (2023:US\$16.808 million) split as quoted equities purchases (US\$3.314 million), money market investments (US\$3.139 million), real estate development (US\$7.820 million) and fixed income instruments (US\$4.747 million).

### 3. INVESTMENTS (Appendix 2)

The Fund's total assets inclusive of net current assets were estimated at US\$224,575 million as at 31 December 2024 (based on the 2024 actuarial valuation) compared to US\$249.055 million as at 31 December 2023. This represented an approximate decrease of 10%. It is important to note that the 2023 valuations especially for fixed properties were in local currency and converted to USD at the interbank rate, thus the valuation was susceptible to distortions emanating from the exchange rate disparities. The 2024 property valuation was carried out in USD and is more reflective of the real value of the real estate portfolio. Figure 1 summarises the investments assets at market value.

Fig 3 : Investments at Market Value (Million USD)



#### 3.1. Real Estate Portfolio

As at 31 December 2024, the Fund's real estate portfolio was valued at US\$110.643 million by an independent valuer, Southbay Real Estate. Part of the real estate portfolio valued at US\$18.222 million was re-classified to prescribed assets. The properties include Shurugwi Mall, Gokwe shopping Mall, Chinhoyi Student Accommodation and Shurugwi Impali residential developments which were awarded prescribed asset status by the Insurance and Pensions Commission (IPEC). Thus, a balance of US\$92.420 million remained under real estate, thereby reducing the overall weight of properties in the portfolio. Properties constituted 45% (62%:2023) of the total investments assets, against the 40% maximum limit as set by the regulator, IPEC. The Fund closed the year 2024 with a void rate of 11%, concentrated in CBD office buildings.

### *3.2 Listed Equities*

Listed equities constituted 29% (27%:2023) of the total investments portfolio in market value terms. Of the total quoted equities portfolio, 40.91% was in respect of shares denominated in local currency and listed on the ZSE, 48.18% was in shares denominated in United States dollars and listed on the VFEX valued at US\$28.936 million while 10.98% was in foreign listed (offshore) companies valued at (US\$6.593 million). The listed equities portfolio recorded an annual return of 1163.72% (742.09%:2023) in local currency terms and a dividend yield of 34.72% was realised.

### *3.3 Unlisted Equities*

Unlisted equities investments constituted 2% of the total investments assets. The Fund's private equity portfolio comprises of Old Mutual Zimbabwe Limited (11.50%), New Corporate Investments Seven representing Flamboyant Hotel in Masvingo (36.18%) and Twirlton Investments representing Kadoma Hotel and Conference Centre (52.32%) of the total unlisted equities portfolio. A dividend yield of 35% was recorded for the year 2024.

### *3.4 Money Market*

The money market book closed the year at US\$3.753 million and 2% of the total assets. The Fund adopted a deliberate strategy to limit the money market book to USD only as monetary assets in local currency are susceptible to value erosion due to inflation and depreciation of the local currency.

### *3.5 Prescribed Assets*

Investments in Prescribed Assets increased by 241% from US\$11.601 million in 2023 to US\$39.572 million as at 31 December 2024 due to new investments and the granting of PA status on the Fund's real estate development projects. PAs constituted 19% of total investments assets compared to 5% in 2023 against the regulatory compliance threshold of 20% in market value terms.

### *3.6 Old Mutual Guaranteed Fund (OMGF)*

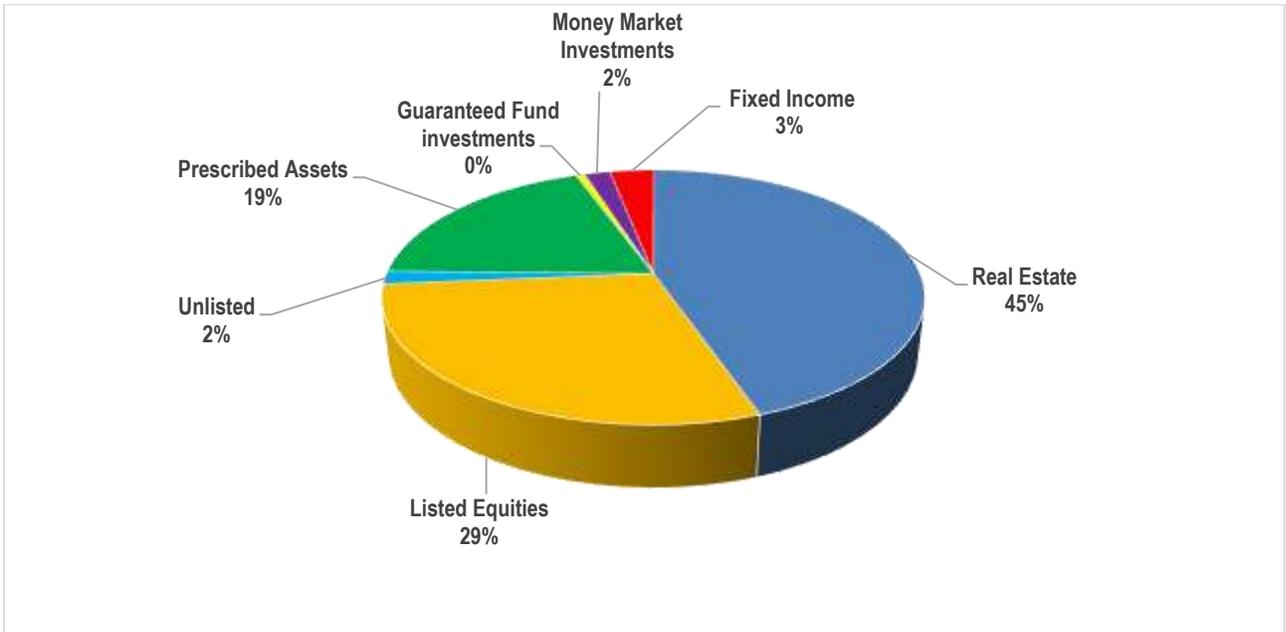
The Fund's investment in the OMGF constituted less than 1% of the total portfolio value. The OMGF declared a bonus of 921.90% for the year ended 31 December 2024 compared to 838.32% declared in the prior year in local currency terms.

### *3.7 Fixed Income*

Fixed Income instruments increased by 113% to US\$6.446 million as at December 2024 from US\$3.027 million in 2023 due to new investments. The fixed income investments are mainly made up of debt instruments and back up investments for the MIPF Assisted Member Mortgage and Staff Mortgage Schemes.

Figure 4 below details the investments asset allocation as at 31 December 2024.

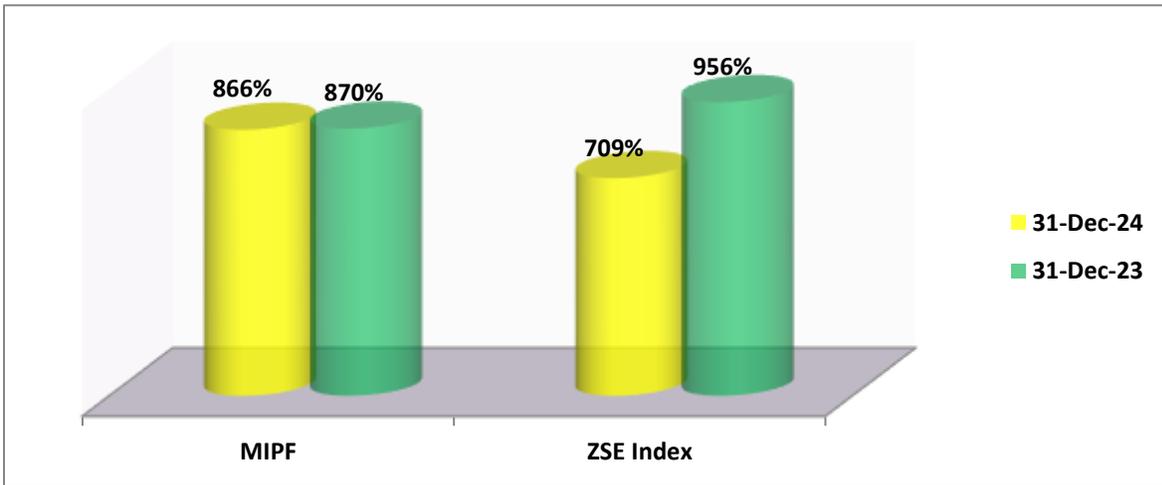
**Figure 4: Investments Portfolio Asset Allocation**



**3.8 Gross Return**

The Fund earned a gross return of 866% for the year 2024 against the prior year return of 870% as per Actuary’s computation in local currency terms.

**Figure 5: Investment Returns**



**4. OPERATIONS**

**4.1 Contributions Collections and Debtors**

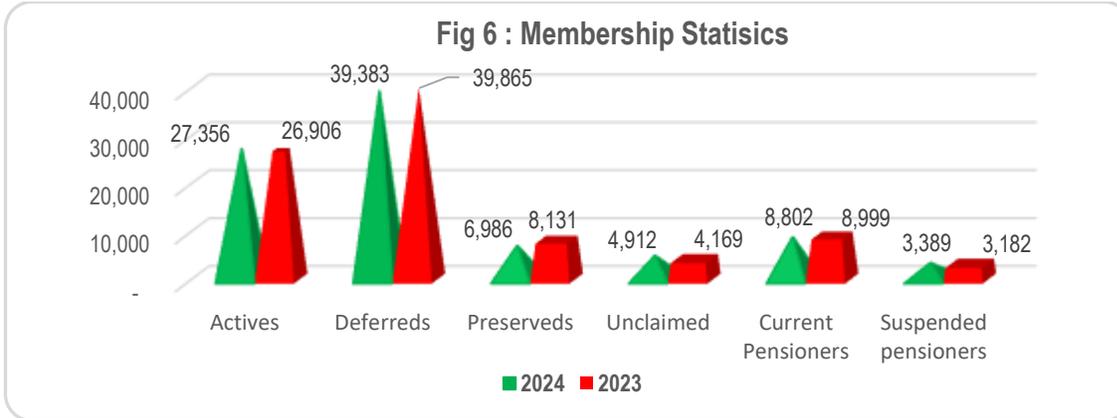
Total contributions collected for the year 2024 were equivalent to US\$24.951 million compared to US\$25.242 million for 2023. The 2024 collections translated to a collection rate of 48% (2023:58%) of total invoiced contributions. Collections were depressed as some of the big mines closed the year in arrears.

Contribution debtors, including interest were equivalent to US\$16.467 million, as at 31 December 2024, an increase of 17% over the US\$14.077 million owed as at 31 December 2023. Twenty-one

(21) largest mines owing in excess of an equivalent of USD50,000 constituted 95% of the total contributions debtors as at 31 December 2024.

#### 4.2 Fund Membership

Overall, the Fund’s total membership decreased by 1.09% to 90,256 as at 31 December 2024 from 91,252 as at 31 December 2023. The decrease was mainly attributed to retrenchments from mines. Notwithstanding the overall membership decrease, the number of Active Members marginally increased by 1.67% from 26,906 to 27,356.. Figure 6 below summarises the Fund’s membership.



#### 4.3 New Mines Recruited

During the year under review, twelve (12) new mines with a total membership of one thousand eight hundred and eighty-seven (1,887) employees were recruited and this increased the total number of member mines from 146 in 2023 to 158 as at 31 December 2024.

#### 4.4 Retrenchments

For the year 2024, the Fund recorded one thousand two hundred and sixteen (1,216) retrenchments from sixty-nine (69) mines compared to two hundred and ninety-four (294) retrenchments from forty-two (42) mines in 2023.

#### 4.5 Mine Visits and Data Collection

The Fund visited sixty-nine (69) out of a total of one hundred and fifty-eight (158) mines in 2024 for purposes of information dissemination and data collection. The Data collection exercise is in line with the Fund’s strategy to maintain an accurate and up to date membership database, as well as the need to meet the regulatory requirement to have in place, copies of National Identification documents (IDs) for all members.

### 5. ACTUARIAL VALUATION

Following the currency change of 5 April 2024 from ZWL\$ to ZWG, the Fund carried out a currency conversion actuarial valuation as at 5 April 2024 in line with the IPEC Revaluation Guideline that mandates pension funds to carry out actuarial valuations whenever currency changes occur. Revaluation gains on investments assets for the period 1 January to 5 April 2024 were passed on to the members and pensioners in the form of bonuses and pension increases. Subsequently, a statutory actuarial valuation was carried out as at 31 December 2024. The two Actuarial Valuations were carried out by Mr. T Mutare of Stalwart Actuarial Consultants. The Table below summarises the funding levels;

## Actuarial Valuation Summary

Detail	USD Equivalent	
	2024	2023
Assets	224,575,090	249,055,193
Liabilities	140,419,017	92,600,932
<b>Surplus</b>	<b>84,156,073</b>	<b>156,454,261</b>
Funding level	160%	269%
Return	866%	870%

For the year ended 31 December 2024, the Fund's assets were equivalent to US\$224.575 million against liabilities of US\$140.419 million resulting in a surplus of US\$84.156 million which translated to a funding level of 160% before declaration of bonuses. The table below summarises the cumulative pension increases and bonuses awarded in 2024 in local currency terms for Sub Accounts 1 and 2 which are in local currency (ZWG) and Sub Account 3 in USD.

Description	Sub Account 1	Sub Account 2	Sub Account 3 (USD)
Bonus – to active, deferred and preserved members and outstanding benefits	710.70%	650.90%	15.10%
Pension Increase – to current and suspended pensioners	667.00%	609.40%	11.90%
Additional Death Benefit Increase – actives and pensioners	710.70%	650.90%	0.00%

## 6. UPDATE ON THE MIPF ASSISTED MEMBER MORTGAGE SCHEME

As part of efforts by the Fund to create value and improve its product offering to Members, the Fund implemented the MIPF Assisted Member Mortgage Scheme effective from March 2018. The purpose of the scheme is to assist members prepare for retirement while they are still at work by acquiring residential properties without raising deposits as normally required by the Building Societies in the case of walk in applicants. Members from mines that are up to date with remittance of pension contributions are able to access traditional mortgages or micro-mortgages through CABS, Nationals Building Society and FBC Building Society. As at 31 December 2024, a total of two hundred and sixty-one (261) members had accessed loans since inception of the Scheme.

## 7. ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS

The Pension and Provident Funds Act which was enacted in 2023, requires pension funds to hold Annual General Meetings (AGMs) of members every year. The Fund held its inaugural AGM on 23 February 2024 in respect of the year ended 31 December 2022. The second AGM in respect of the year ended 31 December 2023 was held on 30 September 2024. The AGM for the year ended 31 December 2024 will be held on 11 July 2025.

## 8. CORPORATE GOVERNANCE

All Board and Committee meetings were held as scheduled and the Fund held its annual Strategic Planning review workshop held from 23 to 25 October 2024. The 2024 year-end audit and Actuarial Valuations were carried out and completed without any issues of concern being raised.

## 9. CONCLUSION

The Fund continues to pursue its growth and value preservation strategy with focus on offshore investments and developing part of the land bank so as to unlock value for the Fund's members and also diversify the Fund's property portfolio which is concentrated in CBD office space. In addition, strategies aimed at retaining member mines through offering quality services and value added benefits to members such as the assisted member mortgages remain key given the difficult operating environment. The Fund's strategies focus on improving contributions, rentals and operating costs collections and sweating the assets in addition to recruiting new mines so as to grow the Fund. Cost management also remains a key area of focus given the harsh operating environment.

**Ms Clara P. Sadomba**  
**BOARD CHAIRPERSON**

Appendix 1: Summarised Income & Expenditure Statement for the Year Ended 31 December 2024

Description	USD Equivalent	Variance	USD Equivalent
	2024		2023
<b>Income</b>			
Contributions Income	33,152,505	7%	31,050,871
Investments Income	6,895,319	76%	3,920,525
Fixed Property Income	4,850,678	3%	4,704,725
Other Income	5,568,465	13%	4,908,824
Fair value gains	3,502,104	113%	- 1,644,346
<b>Total Income</b>	<b>53,969,071</b>	<b>26%</b>	<b>42,940,599</b>
<b>Expenditure</b>			
Benefits Expenditure	9,646,129	-65%	5,847,530
Admin Expenses	5,797,071	-7%	5,397,245
Fixed Property Running Expenses	1,069,668	-273%	286,516
Provision for impairment loss on debtors	4,671,919	25%	6,253,866
<b>Total Expenditure</b>	<b>21,184,787</b>	<b>-19%</b>	<b>17,785,156</b>
<b>Increase / (Decrease) in Fund</b>	<b>32,784,284</b>	<b>30%</b>	<b>25,155,443</b>
<b>Accumulated Fund B/Fwd</b>	<b>176,055,932</b>	<b>17%</b>	<b>150,900,489</b>
<b>Accumulated Fund at end of year</b>	<b>208,840,216</b>	<b>19%</b>	<b>176,055,932</b>

Appendix 2: Summarised Fund Value Statement as at 31 December 2024

ASSET CLASS	2024	Movement	2023
	USD Equivalent		USD Equivalent
<b>Investments</b>			
Real Estate	92,420,102	-35%	141,552,478
Quoted Equities	60,057,755	-2%	61,538,381
Unquoted Equities	3,372,289	-13%	3,854,203
Prescribed Assets	39,572,086	241%	11,601,182
Guaranteed Fund investments	1,267,516	-4%	1,318,255
Money Market Investments	3,752,156	-43%	6,612,436
Fixed Income	6,446,111	113%	3,027,492
<b>Total Investments</b>	<b>206,888,015</b>	<b>-10%</b>	<b>229,504,427</b>
<b>Other Assets</b>			
Net Current Assets	821,753	-71%	2,855,658
Actuarial Adjustments	16,865,322	1%	16,695,107
<b>Total Assets</b>	<b>224,575,090</b>	<b>-10%</b>	<b>249,055,193</b>
<b>Actuarial Liabilities</b>	<b>140,419,017</b>	<b>52%</b>	<b>92,600,932</b>
<b>Surplus / Deficit</b>	<b>84,156,073</b>	<b>-46%</b>	<b>156,454,261</b>
<b>Funding Level</b>	<b>160%</b>		<b>269%</b>