



Mining Industry Pension Fund

— *“Cares for Your Future”* —

ANNUAL REPORT

— 2025 —





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CORPORATE INFORMATION

The fund (MIPF) was established in 1952, through an Industrial Agreement between the Chamber of Mines of Zimbabwe (COMZ) and the Associated Mine Workers Union of Zimbabwe (AMWUZ), Mine Officials and Salaried Staff Association, collectively referred to as the Trade Unions representing employees in the mining industry. The fund operates in accordance with the Pension and Provident Funds Act (Chapter 24.32) and applicable regulations.



REGISTERED OFFICE

MIPF House
5 Central Avenue
Harare, Zimbabwe



INDEPENDENT AUDITORS

Crowe Chartered Accountants (Zimbabwe)
7 Avon Rise, Avondale, Harare



LEGAL ADVISORS

Gill, Goldonton & Gerrans Legal Practitioners,
15 Natal Road, Cnr East Road, Belgravia, Harare



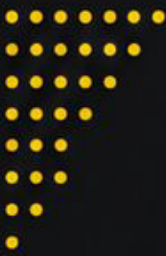
PRINCIPAL BANKERS

- FBC Crown Bank Limited
- Stanbic Bank Zimbabwe



ACTUARIES

Claxon Actuaries, 3rd Floor West Wing,
Club Chambers, corner 3rd Street/
Nelson Mandela



VISION, MISSION AND CORE VALUES



VISION

To be the leading pension fund in the provision of pension benefits in Zimbabwe.



MISSION

To create value through delivering superior and sustainable retirement benefits for members of the MIPF.



CORE VALUES

The values we hold in common are:



Professionalism – Upholding the highest standards of competence, integrity and judgement.



Transparency – Open, honest and accountable conduct in all engagements.



Teamwork – Collaboration and shared responsibility towards common objectives.



Mutual Respect – Recognition and dignity for diverse perspectives.



Innovation – Continuous improvement through creative and efficient solutions.



Customer Centric – Delivering services that meet and exceed member expectations.

Governance and Leadership

Board of Trustees

The Board provides strategic direction and oversight. Trustees comprise both employer and employee representatives as well as an Independent Expert Trustee.

Board Composition

- Ms. Clara P. Sadomba Employer Representative – Board Chairperson
- Mr. Isaac Kwesu Employer Representative – Board Vice Chairman
- Mr. Alex Mapako Independent Expert Trustee
- Mr. Seriso Papias Employee Representative
- Mr. Berry Mbere Employee Representative
- Mr. Warren Phiri Employee Representative
- Mr. Casper Mukobo Employee Representative

Trustees' Interest

No Trustee declared a material conflict of interest during the year under review

Board Committees

Investments Committee

Responsible for the investment oversight and recommendations.

Members : Ms. C. Sadomba (Acting Chairperson), Mr. B. Mbere, Mr. C. Mukobo.
Two vacancies exist.

Audit, Risk and Compliance (ARC) Committee (ARCC)

Oversees financial reporting, internal controls, risk management and compliance.

Members: Mr. I. Kwesu (Chairman), Mr. W. Phiri, Mr. A. Mapako.
One vacancy exists.

Remuneration Committee

Responsible for human capital and remuneration matters.

Members: Ms. C. Sadomba (Chairperson), Mr. S. Papias.
Two vacancies exist.

Management Committee

Executive Management	
Anymore Taruvinga	Principal Officer & Chief Executive
CFA Charter, COP, MSc Finance & Investments, BCom (Hons) Finance	
Prisca Nyayera	Deputy Principal Officer (Finance & Investments)
MSc (Professional Accountancy), FCCA, BCom (Hons) Accounting	
Laurence T. Karumazondo	Deputy Principal Officer (Legal & Operations)
MBA, LLM, LLB (Hons)	
Heads of Departments	
Tulani C. Ndlovu	Pensions Manager
Snr Mgr Mbr (MAZ), RMA (IRMSA), MBA, BCom (Hons) Risk Mgt & Insurance, HND Pensions Management	
Ronald Masunungure	Investments Manager
Msc (Fin & Invst), HBS (Finance & Banking)	
Sydney Musiyiwa	Internal Audit Manager
BBA Accounting	
Percevierance N. Dube	Bulawayo Branch Manager
MBA, MSc Marketing, BCom (Hons) Marketing	
Simon W, Njambi	Human Resources Manager
BMgt Human Resources, IPMZ, Dip Computer Networking, NC Computer Studies	
Darryl Savanhu	Finance Manager
BCom (Hons) Accounting	
Sisaskosi Sihwa	Risk Management and Compliance Officer
Business Risk Management (Cert), LLB	

Board Chairperson's Report

Introduction

The 2025 operating environment remained challenging for pension funds due to liquidity constraints and subdued contributions from members despite relative exchange rate stability. The conditions increased the challenge of providing meaningful member benefits, given the long-term nature of liabilities against income streams negatively affected by depressed contribution inflows and delayed remittances.

Power supply disruptions and weaker market prices for some minerals negatively affected employers' capacity to retain staff as well as remit contributions. General liquidity challenges led to subdued aggregate demand, subdued tenants' capacity to pay rental obligations consistently and reduced demand for lettable space. This placed pressure on cash flows and increased contributions and rental arrears. At the same time, the Fund faced increased cash flow demands to meet claims for retrenched members, over and above the normal monthly pension commitments while expectations from members for benefit protection increased as the cost of living remained high.

From an investment perspective, the environment favoured value-preserving asset classes, particularly real assets and foreign-currency denominated investments, while local currency monetary assets remained vulnerable to value erosion. As a result, the Fund had to balance liquidity, solvency, regulatory compliance, and preserving value of member benefits while strengthening governance, risk management, and collection strategies. Despite the challenges, the Fund implemented value preservation and growth strategies which enabled the declaration of bonuses to members and awarding pension increases and quarterly USD cushioning allowances.

Reporting Currency

The Fund's reporting and presentation currency remained the Zimbabwe Gold (ZWG). Foreign currency transactions are translated into local currency for reporting purposes.

Financial Performance Overview

The financial performance commentary below is based on extracts from the audited financial statements for the year ended 31 December 2025, which were prepared on the historical cost basis and received an unmodified audit opinion. For ease of interpretation, selected United States Dollar equivalents have been included. The financial performance reflects the benefits of its asset allocation skewed towards value preservation and growth while maintaining a sustained focus on enhancing member benefits through distribution of revaluation gains.

Summarised Statement of Changes in Net Assets Available for Benefits

Detail	2025		2024	
	ZWG (million)	USD Equivalent (million)	ZWG (million)	USD Equivalent (million)
Net Membership Income	597.10	22.30	388.52	23.79
Net Investments Income	1,149.91	43.17	4,442.87	14.64
Net Other Operating Income	(10.55)	(0.49)	411.01	(1.00)
Impairment Loss on Debtors	(350.69)	(13.11)	(420.74)	(4.67)
Net Increase in Assets for the Year	1,385.77	51.87	4,821.66	32.75
Net Assets Available at End of Year	6,772.52	260.68	5,386.76	208.80

The Fund recorded a net increase in assets of ZWG1.386 billion for 2025, representing a 54% decrease over the prior year increase of ZWG4.822 billion. Net assets available for benefits closed the year at ZWG6.773 billion, up 26% from ZWG5.387 billion in the prior year. Of the total income generated in 2025, 61% was in foreign currency, compared to 53% in the previous year.

Membership Activities

Net membership income for 2025 amounted to ZWG597.10 million which was 54% above the prior year income of ZWG388.52 million. Contributions invoiced in USD constituted 58% of total contributions compared to 46% in the prior year. Benefits payments increased by 91% over the prior year reflecting both an increase in member claims and the Fund's commitment to cushioning pensioners and eligible members through foreign currency cushioning allowances and periodic distribution of fair value gains.

Investment Activities

Net income generated from investments amounted to ZWG1.15 billion driven primarily by fair value gains on investment assets. Income from financial assets amounted to ZWG1.02 billion, supported by fair value gains on equities and exchange gains on United States Dollar denominated assets. Non-financial assets, particularly fixed properties, generated total income of ZWG181.85 million. The performance of the investment portfolio demonstrates the effectiveness of the Fund's strategy of prioritising real assets and preserving long-term value in a volatile environment.

Other Activities

Net loss from other operating activities totalled ZWG10.55 million. Other income, comprise mainly employer funding for administration expenses and management support fees. Administration expenses amounted to ZWG184.28 million and representing 20% of contributions received. The Board continues to monitor operating efficiency closely and implement cost containment measures to align administration expenses to funding and regulatory benchmarks.

Provision for Impairment Loss on Debtors

Provisions for impairment on debtors amounted to ZWG350.69 million, 17% down from prior year provision of ZWG420.742 million, due to arrear payments. Strategies on collections remain an important area of Board focus, as recoverability of arrears has a direct bearing on liquidity, benefit enhancement capacity and overall balance sheet quality.

Summary of Cash Flows

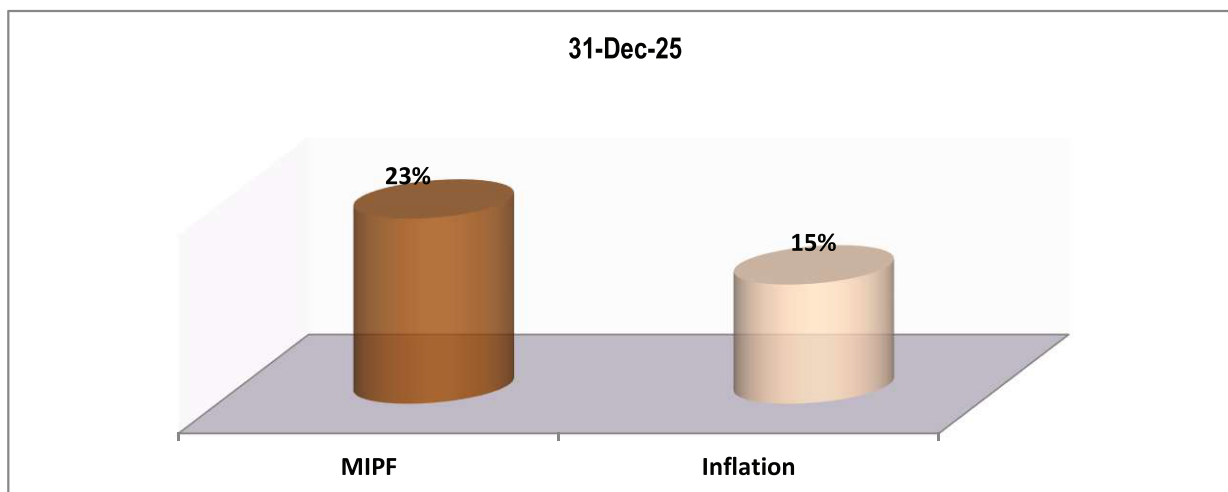
Detail	ZWG (million)	USD equivalent (million)	ZWG (million)	USD equivalent (million)
	2025		2024	
Net Cash from membership activities	371.59	14.21	263.07	14.03
Net Cash Generated from Operations	4.64	0.23	(66.92)	(0.80)
Net cash flows generated from investing activities	210.05	7.96	93.98	6.24
Total cash generated	586.27	22.41	290.13	19.46
Total Cash Invested	(470.65)	(17.97)	(276.66)	18.99

Total cash collected in 2025 amounted to ZWG586.27 million compared to ZWG290.14 million in 2024. Collections were driven by pension contributions, other operating income and investment income. Foreign currency receipts constituted 75% of total collections in 2025 and were important in sustaining benefit payments in USD, operational commitments and ongoing investment activity. The currency split of cash collections continue to be a key determinant of the Fund's resilience and flexibility.

Investments

As at 31 December 2025, the Fund's investment assets were valued at ZWG6.66 billion, 27% up from the 2024 value of ZWG5.24 billion. The investment portfolio posted an aggregate return of 23.37% for the year 2025 compared to a return of 866% for the year 2024. Performance was driven largely by the Fund's investments anchored on real assets, mainly real estate and equities. This strategic positioning continued to support capital growth and strengthen the Fund's capacity to meet member obligations over time.

Investment Returns



Investments Portfolio Allocation

The table below summarised the investments asset allocation as at 31 December 2026.

Summary of Investments Portfolio

Detail	ZWG (Million)			Portfolio Weight
	2025	Growth	2024	%
Listed equities	2,614.50	69%	1,549.43	39%
Investment property	3,289.58	19%	2,759.99	50%
Unlisted equity	154.01	77%	87.04	2%
Other	44.39	14%	38.96	1%
Money Market & cash	263.85	-40%	438.34	4%
Debt & Fixed income instruments	291.67	-21%	370.64	4%
Total	6,657.99	27%	5,244.39	100%

Real Estate Portfolio

The Fund's real estate portfolio was valued at ZWG3.29 billion, an increase of 19% over the 2024 value of ZWG2.76 billion driven by capital appreciation and cash injected into property developments that are being carried out by the Fund. Properties constituted about 50% of the investments portfolio. The Fund closed the year with a void rate of 12% up from 11% in 2024.

Listed Equities

At a market value of ZWG2.615 billion as at 31 December 2025, the listed equities portfolio grew by 69% from ZWG1.54 billion as at 31 December 2024. The growth was due to share purchases and capital appreciation during the year under review. Quoted equities constituted 39% of the investments assets as at 31 December 2025. Of the total quoted equities portfolio, 39.74% was in respect of shares denominated in local currency and listed on the ZSE, 57.82% in shares denominated in United States dollars and listed on the VFEX while 2.43% was in foreign listed (offshore) companies. The listed equities portfolio recorded an annual return of 69.17% against 27.70% posted by the ZSE All-Share Index and a dividend yield of 6.15% was realised.

Debt and Fixed Income Instruments

Debt and fixed income instruments were valued at ZWG291.67 million as at 31 December 2025, constituting about 4% of the investments portfolio. The assets generated a return of 18.84% for the year 2025.

Unlisted Equities

Unlisted equities investments, at a market value of ZWG154.01 million, registered a growth of 77% from ZWG87.04 million in 2024 due to new investments and a general increase in the valuation of the underlying companies. The Fund's private equity portfolio comprises of Old Mutual Zimbabwe Limited (3%), New Corporate Investments Seven representing Flamboyant Hotel in Masvingo (27%) and Twirlton Investments representing Kadoma Hotel, Conference Centre (19%) and Eastern and Southern African Trade Fund -ESATF (47%). The unlisted equities portfolio posted a return of 18% for the year 2025.

Money Market and Cash Balances

The money market book and cash balances closed the year at ZWG263.85 million constituting 4% of the investments assets as at 31 December 2025. The money market investments generated a return of 20.01% for the year 2025. All money market placements were denominated in USD.

Other Assets

Other assets valued at ZWG44.39 were made up of Gold Coins and the Guaranteed Fund investment and made up 1% of the portfolio. The assets increased by 14% over the prior year due to capital appreciation especially the Gold coins.

Operations

Contributions Collections and Debtors

Total contributions collected for the year 2025 amounted to ZWG725 million, compared to ZWG367 million, in 2024. Collections represented 46% of invoiced contributions, down slightly from 48% in the prior year, reflecting persistent payment challenges among some contributing mines. Contribution collection remains a critical operational priority given its direct impact on liquidity, returns, member benefits and overall fund sustainability.

Within the Fund's Enterprise-Wide Risk Management framework, contribution collection remains a high-risk area. The Fund continues to address this through rigorous follow-up with debtor mines, charging of interest in line with statutory requirements and litigation where warranted. Contribution debtors, including interest, amounted to ZWG735 million, as at 31 December 2025. The arrears remain concentrated among a relatively small number of large debtors with twenty-two (22) largest mines, each owing in excess of an equivalent of USD50,000 constituting 93% of the total contributions debtors' book.

Fund Membership

Overall membership grew by 1.9% to 92,568 as at 31 December 2025, from 90,841 in the prior year. The number of active members recorded marginal net increase of 0.1% from 27,356 to 27,383 because of the recruitment of new members.

New Mines Recruited

During the year under review, six (6) new mines with a combined 574 employees joined the Fund, increasing the total number of participating mines from to 164 from 158 in 2024.

Retrenchments

The Fund recorded 1,194 retrenchments from 69 mines in 2025, compared with 1,216 retrenchments from the same number of mines in 2024. Retrenchments continue to reflect the operational strain being faced by segments of the mining industry and remain a key determinant in Fund growth.

Pension Benefits Payment

Pension benefits expenditure for the year amounted to ZWG418 million, 194% up from ZWG142.04 million in 2024. The increase was driven by higher claims from exiting members and by bonuses declared as part of the Fund's distribution of fair value gains on investment assets. Supporting members through timely and meaningful benefits remains core to the Fund's mandate.

Mine Visits and Data Collection

The Fund visited sixty-six (66) mines out of a total of one hundred and sixty-four (164) mines in 2025 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 and strengthens compliance with regulatory requirements. Improved data integrity remains essential to efficient administration of the Fund and quality service delivery.

Assisted Member Mortgage

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 most banks. Members from mines that are up to date with remittance of pension contributions can access traditional mortgages or micro-mortgages through CABS, National Building Society and FBC Bank. As at 31 December 2025, a total of eight hundred and nine members (809) accessed loans valued at ZWG18.79 million while one hundred and fifty-four (154) members accessed loans valued at USD1.92 million.

Actuarial Valuation

A statutory actuarial valuation as at 31 December 2025 was carried out by Mr. T Chiduzo of Claxon Actuaries. The outcome confirms that the Fund remained in surplus at year-end, with assets exceeding liabilities at a funding level of 116% before the declaration of bonuses. This provides an important measure of the Fund's underlying solvency, although continued vigilance is required considering economic volatility and the changing liability profile. The Table below summarises the Actuarial Valuation results;

Actuarial Valuation Summary

Detail	ZWG (million)	ZWG
	2025	2024
Assets (after actuarial adjustment)	7,182	5,794
Liabilities	6,155	3,623
Surplus	1,027	2,171
Funding level	116%	160%
Return	23.27%	866%

For the year ended 31 December 2025, the Fund's assets were valued at ZWG7.182 billion against liabilities of ZWG6.155 billion, resulting in a surplus of ZWG1.027 billion and a funding level of 116% before declaration of bonuses. While this reflects a sound funding position, the reduction from the prior year funding level highlights the importance of continued prudence in distribution of fair value gains to enhance benefits, asset allocation and risk management. Bonuses and pension increases were awarded as shown in the table below;

Description	Sub Account 1 (ZWG)	Sub Account 2 (ZWG)	Sub Account 3 (USD)
Bonus – to active, deferred and preserved members and outstanding benefits	19.86%	47.76%	-
Pension increase – to current and suspended pensioners	18.32%	39.42%	-
Additional death benefit increase – actives and pensioners	20.34%	50.53%	-

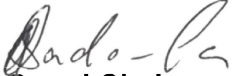
Outlook

The operating environment is expected to remain challenging but presents opportunities for growth and diversification. The Fund will continue to pursue growth and diversification strategies with a strong bias toward asset classes that offer resilience against inflation and currency instability and focus on growing the offshore book. Contribution and rental collections are likely to remain under pressure due to ongoing headwinds in the mining sector, including volatile commodity prices, tight liquidity and power constraints. Against this backdrop, the Board will continue to prioritise prudent investment execution, strong governance and initiatives that protect the real value of member benefits, including periodic benefit support where sustainable.

Appreciation

I extend my sincere appreciation to my fellow Board Members for their commitment, guidance and stewardship during the year. I also thank Management and staff for their diligence in executing the Fund's strategy and navigating a demanding operating environment. Finally, I acknowledge our members, pensioners, participating employers and all stakeholders for their continued support and confidence in the Fund.

Ms Clara. P. Sadomba



Board Chairperson

26th May 2026

Trustees' Responsibility for the Financial Statements for the Year Ended 31 December 2025

The Trustees of Mining Industry Pension Fund ("the Pension Fund") are responsible for the maintenance of adequate accounting records and the preparation of the financial statements comprising of the:

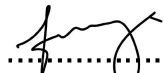
- Statement of changes in net assets available for benefits for the year ended 31 December 2025;
- Statement of net assets available for benefits as at 31 December 2025;
- Membership statistics;
- Summary of accounting policies; and
- Notes to the financial statements.

The Pension Fund's independent external auditors, Crowe Chartered Accountants ("Crowe") have audited the financial statements, and their report appears on pages **4 to 6** of the audited financial statements. The Trustees are also responsible for the implementation and maintenance of systems of internal controls. These are designed to provide reasonable, but not absolute assurance as to the reliability of the financial statements, and to safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatements and losses. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems have occurred during the year under review except those reported by the auditor.

The financial statements are presented on the going concern basis. There is no information that has come to the attention of the Trustees to indicate that the Pension Fund will not remain a going concern for the foreseeable future.

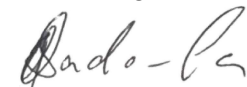
Approval of annual financial statements

The financial statements set out on pages **7 to 43** of the audited financial statements were approved by the Trustees on 27 March 2026 and were signed on its behalf by:



.....
Principal Officer

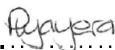
A Taruvinga



.....
Chairperson

C Sadomba

These financial statements were prepared under the supervision of:



.....
Deputy Principal Officer – Finance and investment

P Nyayera

Independent Auditor’s Report

To the Members of Mining Industry Pension Fund

Report on the Audit of the Annual Financial Statements for the Year Ended 31 December 2025

Opinion

We have audited the financial statements of Mining Industry Pension Fund (“the Fund”), set out on pages 7 to 43 of the audited financial statements and comprising:

- Statement of changes in net assets available for benefits for the year ended 31 December 2025;
- Statement of net assets available for benefits as at 31 December 2025;
- Membership statistics as at 31 December 2025
- A summary of significant accounting policies applied by the Pension Fund during the financial year ended 31 December 2025; and
- Notes (including all schedules) to the financial statements

In our opinion, the financial statements present fairly the financial position of Mining Industry Pension Fund as at 31 December 2025, and the financial performance and cash flows for the year then ended in accordance with Pensions and Provident Funds Act (Chapter 24:32).

Key audit matters

We summarise below and next page the matters that had the greatest effect on our audit, our key audit procedures, and our findings from those procedures in order that the Pension Fund’s key stakeholders may better understand the process by which we arrived at our audit opinion. Our findings are the result of procedures undertaken in the context of and solely for the purpose of our audit opinion on the Pension Fund’s financial statements.

Key audit matter	How the matter was addressed during the audit
Valuation of investment property	
<p>The Pension Fund has property and equipment valued using revaluation model.</p> <p>The Pension Fund revalued their assets using an independent expert. Valuations by their nature involve use of judgement and estimates which involve significant unobservable inputs such as risk yields.</p> <p>The complexity and subjectivity of these estimates may result in material misstatement. The current economic environment is extremely volatile given the valuation intricacies impacting the Zimbabwean market.</p>	<p>We assessed the competence, capabilities, objectivity of the independent expert’s valuation and assessed their qualifications.</p> <p>We made enquiries to obtain an understanding of the valuation techniques and judgements adopted.</p> <p>We assessed the work performed by the independent expert in valuing non-monetary assets by performing the following.</p> <ul style="list-style-type: none"> • Reviewed the valuation methods used and assessed whether they are appropriate and consistent with the reporting requirements; • We performed physical verification of a sample of assets to determine whether the conclusion reached by the independent expert was consistent with the actual physical condition and; • Evaluated the inflation adjusted financial statement disclosures for appropriateness and adequacy. • Based on the audit evidence obtained, we concluded that valuation of investments were disclosed and calculated according to IAS 26 – (Accounting and Reporting by Retirement Benefit Plans)

Independent Auditor’s Report

Significant Aged Contributions Receivables	
<p>The Fund has significant aged contributions arrears, (ZWG592 298 233.23) from mines dating back to more than one hundred and eighty days.</p> <p>The existence of these arrears raises significant concerns about the recoverability of these amounts and the potential overstatement of assets.</p> <p>The determination of whether these arrears are recoverable requires significant judgement and estimation increasing risk of material misstatement in the financial statements.</p>	<p>Our principal audit procedures in this area involved the following:</p> <ul style="list-style-type: none"> • Obtained management’s explanation for the aged contributions receivables and requested supporting documentation including contribution schedules, bank statements and correspondence with the Mines; and • Evaluated the assumptions used by management in their assessment of recoverability of the prepayments. • We were satisfied with the evidence obtained regarding the valuation, completeness, accuracy, rights and obligations of contributions receivables.

Responsibilities of the Trustees for the financial statements

The Trustees of the Pension Fund are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards. This responsibility includes, but is not limited to the following:

- Designing, implementing, and maintaining internal controls that ensure proper preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- Formulating and applying appropriate accounting policies; and
- Making accounting estimates that are reasonable in the Pension Fund’s circumstances.

In preparing the financial statements, the Trustees are responsible for assessing the Pension Fund’s ability to continue operating as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Pension Fund or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pension Fund’s internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Pension Fund’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Pension Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit. We also provide the Trustees with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Trustees, we determine those matters that were of most significance in the audit of the financial statements and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits of public interest such communication.

Report on legal and regulatory requirements.

Investment in prescribed assets

As at 31 December 2025, the Pension Fund whilst having made significant progress, was still not in compliance with the Insurance and Pensions Commission (IPEC) Circular 3 of 2019, which requires a minimum holding of 20% in prescribed assets and limits investment property to a maximum of 40% of total assets. At year end, the Fund’s prescribed assets constituted 14.74% of total assets, while investment property accounted for 49.41% of total assets at market value.

The Engagement Partner on the audit resulting in this independent auditor’s report is Jabulani Mavimba.

.....

CROWE CHARTERED ACCOUNTANTS

Jabulani Mavimba
Engagement Partner
Registered Auditor, PAAB Practicing Number: 0450
HARARE
27 March 2026

Statement of Changes in Net Assets Available for Benefits


For the year ended 31 December 2025


	Note	2025	2024
		ZWG	ZWG
Membership Activities			
Contributions	2	1,014,786,000	530,558,240
Benefits and Payments	3	(417,690,098)	(142,039,789)
Net Membership Activities Income / Loss		597,095,902	388,518,451
Investment Activities			
Income from financial assets	4	1,015,058,361	2,016,813,709
Income from non-financial assets	5	181,851,079	2,454,101,736
Investment expenses	6	(46,999,217)	(28,043,618)
Net Investment Income/ (Loss)		1,149,910,223	4,442,871,827
OTHER ACTIVITIES			
Other income	7	173,731,058	495,058,436
Operating expenses	8	(184,277,184)	(84,048,477)
Net Other income / (Loss)		(10,546,126)	411,009,959
Provision for impairment on debtors	9	(350,693,800)	(420,741,756)
Change in net assets		1,385,766,199	4,821,658,481
Net monetary loss		-	(103,725,122)
Net increase or decrease in assets during the year		1,385,766,199	4,717,933,359
Net assets available for benefits at beginning of the year		5,386,758,203	668,824,844
Net assets available for benefits at end of year		6,772,524,402	5,386,758,203

Statement of Net Assets Available for Benefits

As at 31 December 2025

	Note	HISTORICAL COST	
		2025 ZWG	2024 ZWG
Non-Current Assets			
Operating assets	10	117,247,510	117,455,955
Investment assets			
Investment property		3,289,579,846	2,759,989,158
Financial assets at fair value through P/L	11	2,812,896,626	1,675,427,164
Financial assets at amortised cost		196,028,981	321,340,247
Loans and receivables		95,640,139	49,299,111
Total Non-Current Assets		6,511,393,102	4,923,511,635
Current Assets			
Inventory		1,272,618	1,712,834
Trade and other receivables		946,781,871	597,688,590
Financial assets at fair value		131,865,320	421,978,410
Financial assets at amortised cost		-	-
Cash and cash equivalents		131,983,267	16,359,465
Total current assets		1,211,903,076	1,037,739,299
Total Assets		7,723,296,178	5,961,250,934
Non-Actuarial Liabilities			
Arrear pension benefits		106,768,094	50,422,328
Tax payable / (refundable)		(35,388,809)	(10,818,720)
Provisions for Impairment on debtors	13	805,642,374	454,960,426
Trade and other payable	14	61,176,521	77,295,373
Related party balances - COMPEF		12,573,596	2,633,326
Total non-actuarial liabilities		950,771,776	574,492,733
Net Assets Available for benefits at end of year		6,772,524,402	5,386,758,202
Actuarial liabilities			
Members' liabilities	15	5,784,769,468	4,217,534,468
Reserves	16	667,925,177	879,022,980
Total Actuarial Liabilities		6,452,694,645	5,096,557,448
Surplus / Deficit		319,829,757	290,200,755


 Ms. C. P. Sadomba
 Board Chairperson


 Mr. A. Taruvinga
 Principal Officer

Statement of Cash Flows

For the year ended 31 December 2025

	HISTORICAL COST	
	2025 ZWG	2024 ZWG
Cashflow from membership activities		
Cash received from contributions	725,324,350	366,764,141
Benefits paid	(353,732,715)	(103,690,474)
Net cash flows from membership activities	371,591,635	263,073,667
Cashflows collected from operating activities		
Other operating income	167,439,197	8,341,755
Other receipts -COMPEF contributions	12,573,596	2,731,157
Administration expenses paid	(175,377,770)	(77,994,363)
Net cashflow from other operating activities	4,635,023	(66,921,451)
Cashflow from Investing Activities		
Receipts		
Investment income received	140,381,843	74,339,567
Rent and operating costs received	218,458,508	102,419,082
	358,840,351	176,758,649
Payments		
Property running expenses paid	(73,929,094)	(39,603,037)
Other payments	(64,674,265)	(25,351,744)
Capital expenditure	(7,077,768)	(204,247)
Investment expenses paid	(3,111,273)	(17,616,272)
Total Payments	(148,792,400)	(82,775,300)
Net cash flows generated from investing activities	210 047 951	93,983,349
Investments		
Purchase / Development of investment property	(633,868,095)	(116,749,554)
Purchase of financial assets	(200,319,100)	(159,908,560)
Proceeds from sale of financial assets	363,536,387	-
Total Investments	(470,650,807)	(276,658,114)
Net cash utilised in investment activities	(260,602,856)	(182,674,765)
Net cash generated / (utilised) during the year	115,623,802	13,477,451
Cash and cash equivalents at the beginning of the year	16,359,465	2,882,015
Cash and cash equivalents at the end of the year	131,983,267	16,359,465

Accounting Policies

31 December 2025

Establishment of the Fund

The Fund is registered as a self-administered fund in terms of the Pension and Provident Funds Act, 1976. The Fund was set up in 1952 through an Industrial Agreement between the Chamber of Mines Zimbabwe (COMZ) as one party representing the employers, and the Associated Mine Workers Union of Zimbabwe (AMWUZ), Mine Officials and Salaried Staff Association, collectively referred to as the Trade Unions representing employees in the mining industry, being the other party. The Agreement was later published as Statutory Instrument 771 of 1982 (Fund Rules) that was replaced by Statutory Instrument 14 of 2016 (Fund Rules), effective 5 February 2016. The registered office of the Fund is Fourth Floor MIPF House, 5 Central Avenue, Harare.

Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Zimbabwe Gold (ZWG) for regulatory purposes, the Fund's functional currency is United States dollars (USD).

Basis of Preparation

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

3.1 Financial Instruments

Financial assets and financial liabilities are recognised in the Fund's statement of net assets available for benefits when the Fund becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value, except for other receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of changes in net assets available for benefits) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through statement of changes in net assets available for benefits are recognised immediately in statement of net assets available for benefits.

a. Financial Assets

Property and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year. An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably. Property and equipment is initially measured at cost.

Subsequent to initial recognition, the Fund has opted to apply the revaluation model, whereby property and equipment are carried at a revalued amount, being their fair value at the date of revaluation less subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the reporting date.

b. Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- i. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- i. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through net assets available for benefits (FVTPL).

Despite the foregoing, the fund may make the following irrevocable election / designation at initial recognition of a financial asset:

- i. The fund may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met, and
- ii. The fund may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

c. Financial Assets Designated as at FVTPL

On initial recognition, the Fund may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTPL. Designation at FVTPL is permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in net assets available for benefits to the extent they are not part of a designated hedging relationship.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

d. Investment Property

Investment property is stated initially at cost on acquisition and subsequent additions that enhance the value of the property are capitalized. Subsequent to initial recognition, investment property is stated at fair value which is determined by the trustees on the open market basis.

The trustees are guided by a professional valuation carried out at least annually. The Fund adopted the fair value model of accounting for the investment property. Investment property consists of a building held to earn rentals or for capital appreciation or both.

e. Impairment of financial assets

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

3.3 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

3.4 Accounts Payables

Accounts payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.5 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Fund expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3.6 Income

Revenue is recognised at an amount that reflects the consideration to which the Fund expects to be entitled in exchange for transferring goods or services to a customer. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Pension Fund and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

a. Contributions

Contribution income is brought into account from the date of registration of members on an accrual basis. Employees contribute to the fund at a rate of 7.5% of the basic salary whilst the employer contributes at a rate of 7.5% of the basic salary. The employer's contribution is split as;

- 5.0% allocated to employee's account
- 2.25% to reserve an expense account

- 0.25% self-insurance reserve

b. Interest

Interest income and expense presented in the statement of comprehensive income comprise interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis. The effective interest rate is calculated on initial recognition of a financial instrument as the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset and the amortised cost of the financial liability.

c. Dividends

Dividend income is recognised in net assets available for benefits on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date.

d. Rental Income

The Fund is the lessor on lease transactions. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and is included in other trading income in the statement of changes in net assets available for benefits due to its operating nature. Services and management charges on the lease are recognised in the accounting period in which they are incurred. Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease.

The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, were, at the inception of the lease, the trustees are reasonably certain that the tenant will exercise that option. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the statement of changes in net assets available for benefits when the right to receive them arises.

3.7 Expenses

Expenses comprise of benefit payments, group life assurance premiums, investment management fees and administration fees.

a. Benefit Payments

Exit Type	Plan Type	Benefit Description	
Resignation	Defined Contribution	Members will receive accumulated contributions subject to tax.	Employer portion will be retained in the Fund and only accessible at early retirement of age 55.
Retrenchment	Defined Contribution	Members will receive total accumulated contributions plus interest.	Applicable when a member is retrenched or laid off by the employer.
Death	Defined Contribution	Beneficiaries receive total member accumulated contributions plus interest.	Accessed when a member dies whilst in the service of the employer.
Retirement	Defined Contribution	The retirement benefit is a third of the total accumulated contributions.	Two thirds balance of capital to secure a monthly pension. If balance of capital cannot secure a monthly pension, member takes full commutation.

b. Self - Insurance Reserve

Employer's contributions at a rate of 0.25% of employee salary goes towards the self-insurance reserve.

c. Administration Fees

Administration fees are paid by the employer to the pension fund at 2.25% of employee of the basic salary.

d. Investment Management Fees

Asset manager fees are paid at a rate of 0.80% of portfolio market value.

3.8 Taxation

In terms of the Third Schedule to the Income Tax Act [Chapter 23:06], pension funds are exempt from income tax, capital gains tax and residents' tax on interest from financial institutions until such a date as the Minister may specify by notice in the Government Gazette. As no such notice has been gazetted in respect of the period covered by these financial statements, no provision for taxation has been made.

3.9 Use of judgements and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

3.10 Functional and Presentation Currency

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in note 2.2 (functional currency). The fund complied with all relevant statutory instruments and Pension and Provident Funds (Amendment) Regulations, 2020 (No.25) (Statutory Instrument 91 of 2020) in the financial statements preparation in historical cost purposes in that all foreign currency transactions during the year and balances relating to Sub Accounts 3 were translated using the Reserve Bank of Zimbabwe Interbank rate.

3.11 Going Concern Considerations

The Trustees have assessed the ability of the Fund to continue operating as a going concern and believe that the preparation of these financial statements on a going concern is still appropriate. However, the Trustees believe that under the current economic environment, a continuous assessment of the ability of the Fund to continue operating as a going concern will need to be performed to determine the appropriateness of the going concern assumption that has been applied in the preparation of the financial statements.

3.12 Actuarial Valuations (Financial Reviews)

The Trustees consult the Actuary to perform the financial review of the Fund and the Actuary credits members' allocation (accumulation) accounts at least once a year with interest at a rate generally reflecting the return earned on the assets on the Fund. The Fund earned an aggregate return of 23.37% for the year 2025 (2024:780%). The returns on each sub account were estimated below;

- Sub Account 1 - 20.30%
- Sub Account 2 – 50.0%
- Sub Account 3 – -2.12%

Notes to the Financial Statements

31 December 2025

In view of the surplus, the Trustees approved the following interest and pension increases;

Sub Account	Interest	Pension Increase
Sub Account 1	19.86%	18.32%
Sub Account 2	47.76%	39.42%
Sub Account 3	-	-

3.12.1 Actuarial Valuation Methods and Assumptions.

The Fund's liabilities are made up of Members' Accumulated Credits, Pensioners Capital Values and Reserves. The following assumptions were made in the current valuation to determine the Fund liabilities:

Financial Assumptions

The financial assumptions should, therefore, reflect the expected future experience but at the same time allowing for a smooth emergence of surplus as well as a stable funding position for the fund.

Demographic Assumptions

The demographic assumptions used for this valuation are listed below:

- a. Post retirement mortality for pensioners assumed pensioners to be in line with 85% of the a(55) Ultimate Mortality Rates.
- b. For post-retirement spouses' benefits, it has been assumed that each male member is married to a spouse who is five years younger at retirement and each female member is married to a spouse who is five years older at retirement.
- c. For this valuation, it was assumed that all individuals leaving the fund through normal retirement will exit at exact age 60.

3.12.2 Valuation Methods

DC Scheme

The amount in each active Member's Accumulated Credit Account is made up of;

- the opening Defined Contribution (DC) fund liability as at 1 January 2021, which was set equal to actuarial value of benefits earned under the previous benefit structure up to 31 December 2020, including all bonuses declared up to that date
- plus, member contributions received from 1 January 2021 to valuation date
- plus, employer contributions received over the same period
- less any benefits paid between 1 January 2021 and the valuation date,
- plus, Fund interest declared from 1 January 2021 up to valuation date

The total Accumulated Credits of all members of the Fund represent a liability of the fund.

Pensioners Liability

The liability for pensioners is determined using actuarial assumptions, by projecting pensions in payments over the expected future lifetimes of pensioners and contingent beneficiaries and discounting the projected payments back to present value. The main actuarial assumption allowed for include the discount rate, and the mortality (deaths) expected of pensioners and the investment return.

Discount Rate

The discount rate reflects the time value of money and the estimated timing of benefit payments normally determined by reference to expected long term investment return from the Fund's assets. A net discount rate of 5.69% was adopted for the valuation.

Interest Declaration–Method

The primary activity performed in declaring interest is to determine how investment returns and expenses will be accrued to individual Members and pensioner accounts across the period since the last valuation date so that the fund is financially sound.

Interest and Pension Increase Declaration Principles

Surpluses or strains should be distributed amongst members in a manner that:

- Is equitable between classes and generation of members, and
- Is consistent with the nature of the surplus or strain, and
- Ensures that the liabilities will not exceed the assets.

Any strain arising in the fund (whether from a drop in the value of the assets or an increase in expenses) will be passed on to members where appropriate, and such strain will not conflict with the reasonable benefit expectations of members. It should be noted that interest declared is not guaranteed and it is possible for Members' Accumulated Credits to be reduced if the Fund earns negative returns. However, this does not apply to pensions in payment, which cannot be reduced once pension increases are applied and are, in effect, guaranteed payments.

All surpluses and strains recognised throughout the year have been apportioned as follows:

- Investment returns are equitably and appropriately apportioned.
- Pensioners' interest cost (due to time value of money) on pensioner liabilities is charged to the pensioners.
- Pensioners' experience cost (from actual experience differing from valuation assumptions) is charged to the pensioners.
- Changes to the pensioners' valuation method /basis (if any) are charged to pensioners.
- Pension increases can only be awarded if there is a sustainable Pensioners' surplus or positive reserve account
- Any costs associated with the additional death benefit are charged to the additional death benefit reserve.
- Administration expenses shortfalls are charged to the general reserve.

The interest to be declared to members' Accumulated Credits will be derived from the value of the year end Accumulated Credit surplus or deficit, such that there will not be an Accumulated Credit surplus or deficit after declaration of interest.

The next financial review of the Fund will be done for the financial period to 31 December 2026.

4 Financial Instruments and Risk Management Objectives

The Fund's principal financial liabilities other than actuarial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Fund's operations. The Fund's principal financial assets include trade receivables, cash and short-term deposits that arise directly from its operations. The Fund also holds investments in debt and equity instruments. The Fund is exposed to market risk, credit risk and liquidity risk. Fund management oversees the management of these risks and is supported by the Audit, Risk and Compliance (ARC) Committee and the Finance and Investments Committee which advise on financial risks and the appropriate financial risk governance framework for the Fund. The ARC Committee provides assurance that the Fund's financial risks are identified, measured and managed in accordance with the Fund's policies and risk objectives. It is the Fund's policy that no trade in derivatives shall be undertaken. The Board of Trustees reviews and agrees policies for managing these risks, which are summarised below:

Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, deposits, debt and equity investments.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is exposed to interest rate risk from interest bearing instruments, the Fund's income and operating cash flows are substantially independent of changes in the market interest rates. The Fund's assets are managed by experienced asset managers who forecast any adverse effects of interest rate changes, monitor interest rate movements and proactive measures are implemented.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Fund's exposure to the risk of changes in foreign exchange rates primarily relates to the Fund's foreign currency denominated income, investments in foreign listed equities, bonds and equities denominated in foreign currency.,

Commodity Price Risk

The Fund is affected by the price volatility of certain commodities. The Fund is invested in gold coins and is exposed to changes in the price of gold. The Fund holds the gold coins as a store of value.

Equity Price Risk

The Fund's listed and unlisted equities investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Fund manages the equity price risk through diversification and placing limits on individual counters and total equity instruments. Reports on equities portfolio are reviewed by the Investments Committee on a quarterly basis and the Board of Trustees reviews and approves all equity investment decisions. In addition, the equities portfolio limit is informed by the IPEC Investments Guidelines.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Fund is exposed to credit risk from its operating activities (primarily contributions and rent receivables) and other financial instruments.

Inflation Risk

This is the risk of reduced purchasing power due to investment returns failing to keep up with inflation. This is mitigated by investing in real assets such as equities and properties which are expected to provide real returns in the long term.

Expense Risk

The Fund's administration expenses are funded from a fee on assets under sub account 1 and employer contributions for sub account 2 and 3. There is a risk that the level expenses may exceed the expenses reserve funding or contributions collections maybe inadequate to cover the expenses leading to high charges on members accounts. The administration expenses are regularly monitored to ensure the expenses do not exceed the expense reserve funding.

5 Investment Strategy

The Pension Fund's investment strategy aims to balance risk and return, ensuring growth and long-term sustainability to pay enhanced benefits to

Investment Objectives

- Achieve a return of 5% above annual inflation
- Maintain a diversified portfolio
- Manage risk through asset allocation and hedging
- Achieve minimum of 10% annual growth on investments portfolio

Asset Allocation

Asset Allocation is informed by the IPEC investments Guideline. As at 31 December the asset allocation was as below;

Asset Class	Target Allocation	Status as at 31 December 2025	Status as at 31 December 2024
Prescribed Assets	40%	14.74%	19.12%
Bond/Stocks	40%	2.94%	1.91%
Property	40%	49.51%	44.66%
Local Listed Equity	60%	36.31%	28.07%
Foreign Investments	15%	2.95%	0.95%
Unquoted Shares /Alternatives	15%	4.36%	1.63%
Money Market and Cash	20%	3.96%	2.12%
Other	5%	1.94%	1.54%

6 Related parties

Parties are related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

7 Subsequent events

Subsequent events are events that occur after the Fund's year-end period but before the release of the financial statements. Subsequent events can be adjusting or non-adjusting. Adjusting events are those that provide evidence of conditions existing at the end of the reporting period where-as non-adjusting events are indicative of conditions arising after the reporting period.

Notes to the Financial Statements

31 December 2025

	HISTORICAL COST	
	2025	2024
	ZWG	ZWG
8.1 Membership Income		
Contributions for the year	843,124,170	483,367,275
Unallocated	24,910,255	6,667,252
Self-insurance reserve funding	14,221,658	5,737,559
Interest on contribution arrears	126,028,722	34,600,511
Contributions transfers in	6,501,195	185,643
Total Membership Income	1,014,786,000	530,558,240

8.2 Membership Expenses

Pensions	182,831,045	74,784,030
One third commutation	35,746,723	5,347,022
Lump sum awards on death	18,172,037	2,704,067
Lumpsum awards on withdrawal	74,659,718	16,524,961
Transfers to other funds	29,314,860	229,252
Lumpsum awards on retirement and retrenchment	76,965,715	42,450,457
Total Benefits and Payments	417,690,098	142,039,789

8.3 Income from Financial Assets

Interest Income	71,221,156	50,440,851
Dividends	106,126,010	53,733,363
Unrealised value gains / (losses)	1,036,359,339	1,530,350,066
Exchange gains / (losses)	(30,498,071)	381,184,839
Impairment loss	(164,746,550)	-
Realised fair value gains / (losses)	(3,403,524)	1,104,590
Total Income from Financial Assets	1,015,058,361	2,016,813,709

8.4 Income from Non-Financial Assets

Rental income	138,119,630	60,875,898
Revaluation gains / (losses)	27,879,174	2,386,404,886
Interest on rental arrears	16,587,256	6,818,244
Other property income	249,762	-
Profit/ (loss) on disposal of assets	(984,743)	2,708
Total Income from Non-Financial Assets	181,851,079	2,454,101,736

8.5 Investment Expenses

Asset management fees	1,118,629	981,745
Custodial fees	578,594	208,835
Taxation	835,456	177,406
Rates	27,035,662	3,756,618
Property maintenance costs	17,430,876	22,919,014
Total Investment Expenses	46,999,217	28,043,618

Notes to the Financial Statements

31 December 2025

	HISTORICAL COST	
	2025	2024
	ZWG	ZWG
8.6 Other Income		
Management support fees	23,256,122	12,543,808
Administration expense reserve funding	127,994,922	54,854,270
Exchange gains	21,510,258	427,481,358
Sundry income	969,756	179,000
Total Other Income	173,731,058	495,058,436

8.7 Operating expenses

Staff costs	116,317,450	53,665,365
Administration expenses	31,043,051	14,486,082
Professional fees	4,363,068	4,588,222
Board expenses	4,522,023	2,514,035
IPEC levies	6,201,221	2,239,589
Bank charges	15,271,425	6,170,344
Depreciation expense	6,558,946	384,840
Total Operating Expenses	184,277,184	84,048,477

8.8 Provision for impairment on debtors

Contribution debtors	213,855,888	328,993,233
Interest on contribution debtors	104,215,344	32,142,720
Rental and operating cost debtors	32,622,568	59,605,803
Total provision for impairment	350,693,800	420,741,756

8.9 Operating Assets

Property - office building	96,232,513	94,421,378
Motor vehicles	13,026,832	14,214,973
Furniture and equipment	1,192,078	1,295,049
Computer systems and hardware	6,779,884	7,517,262
Other - Utensils	16,203	7,293
Total operating assets	117,247,510	117,455,955

8.10 Financial assets at fair value through P/L

Local listed equities	2,417,845,434	1,498,625,067
Foreign equity	196,658,428	50,808,016
Unlisted (private) equity	154,005,126	87,035,299
Gold coins	10,604,566	6,290,200
Guaranteed funds	33,783,072	32,668,582
Total Equities	2,812,896,626	1,675,427,164

Notes to the Financial Statements

31 December 2025

	HISTORICAL COST	
	2025	2024
	ZWG	ZWG
8.11 Trade and other receivables		
Contributions and interest arrears	735,130,672	424,812,536
Rental and operating cost arrears	110,278,219	84,218,009
Loans and receivables	95,640,139	49,299,111
Other receivables	101,372,980	88,658,045
Total Debtors	1,042,422,010	646,987,701

8.12 Provision for impairment loss on debtors

Contribution debtors	710,136,483	392,065,251
Rental debtors	95,505,891	62,895,175
Total Provision for impairment	805,642,374	454,960,426

8.13 Trade and other payables

Tenants' deposits	13,327,165	8,679,592
Trade payables	46,576,375	56,226,070
Sundry creditors	1,272,981	12,389,711
Total trade and other payables	61,176,521	77,295,373

8.14 Members' Liabilities

Actives members	3,578,636,172	2,575,386,526
Current pensioners	415,248,601	383,900,828
Deferred and preserved pensioners	1,526,159,012	1,012,663,392
Suspended pensioners	202,557,633	209,367,593
Unclaimed benefits	62,168,050	36,216,129
Total members' liabilities	5,784,769,468	4,217,534,468

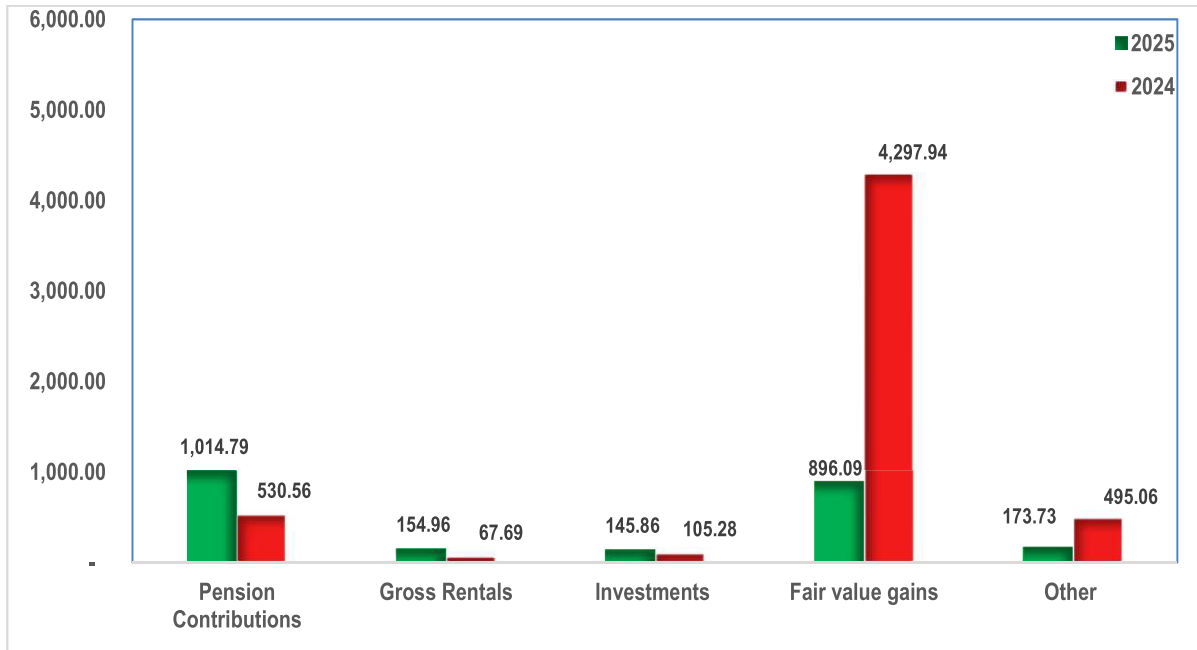
8.15 Reserves

Data reserve	56,580,183	100,426,110
Revaluation gains on exited members	221,736,620	130,351,562
Additional death benefit reserve	64,690,384	50,345,854
Administration expense reserve	3,289,157	6,895,106
2009 Compensation reserve	38,193,712	339,046,960
Cash in lieu of pension increases	-	15,817,975
Contingency reserve	283,435,121	236,139,413
Total Reserves	667,925,177	879,022,980

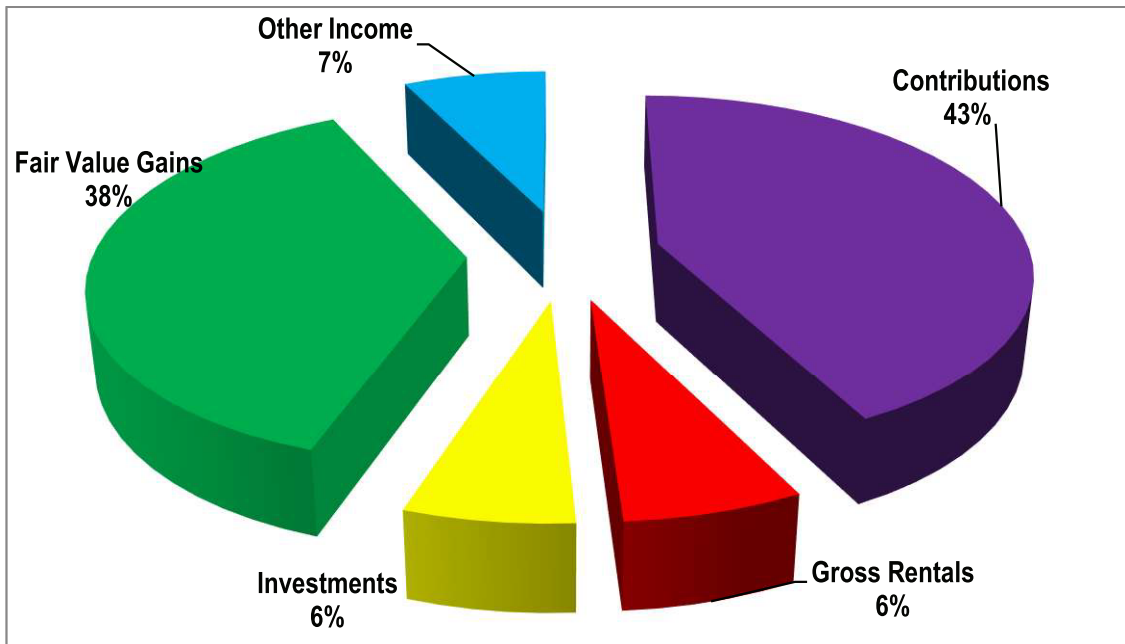
Notes to the Financial Statements

31 December 2025

Income (ZWG million)



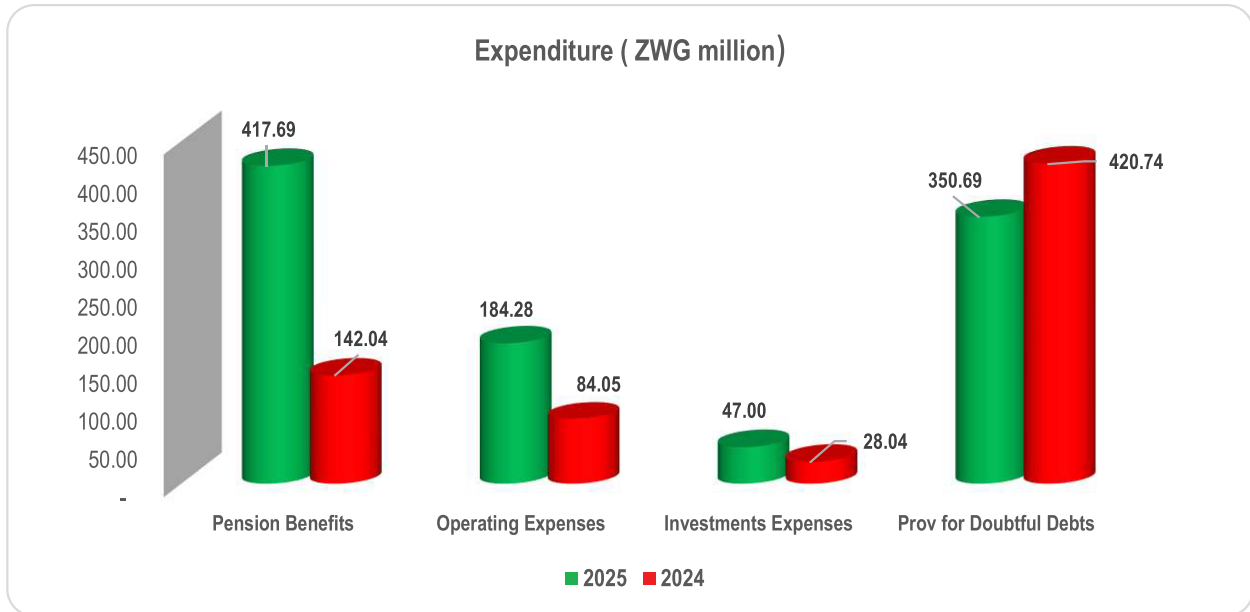
Income Composition



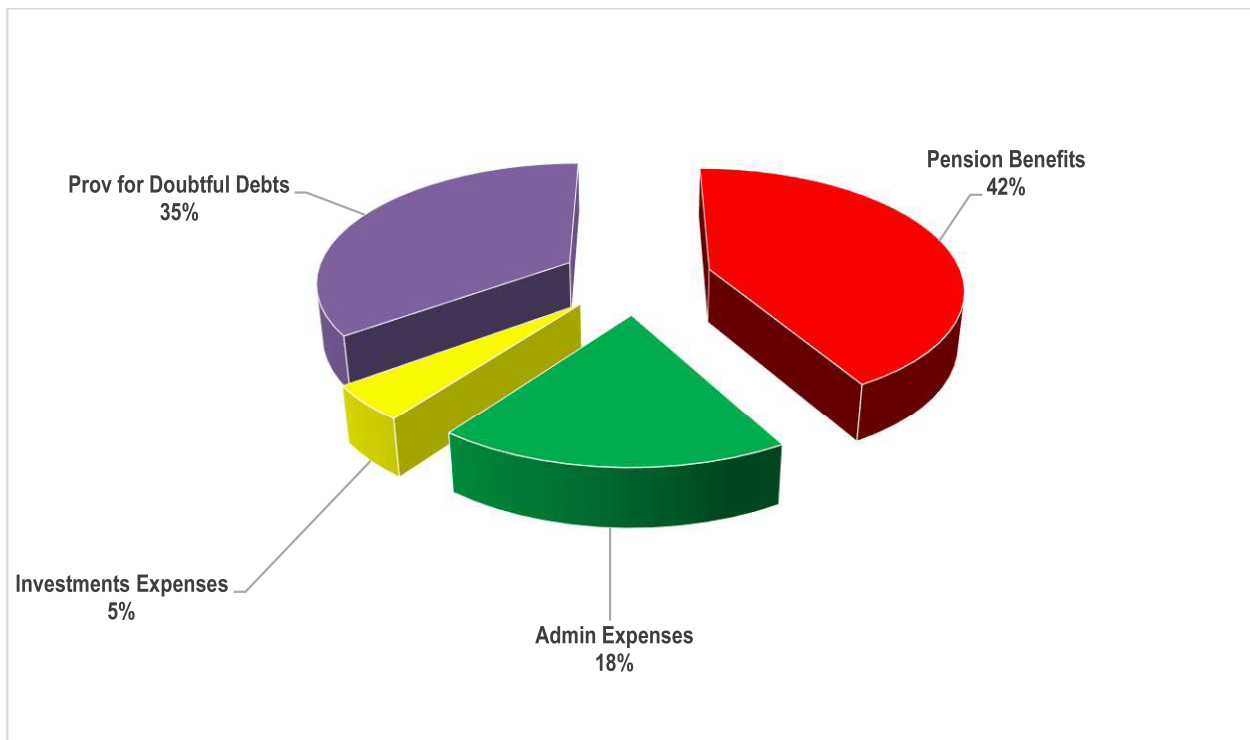
Notes to the Financial Statements

31 December 2025

Expenditure



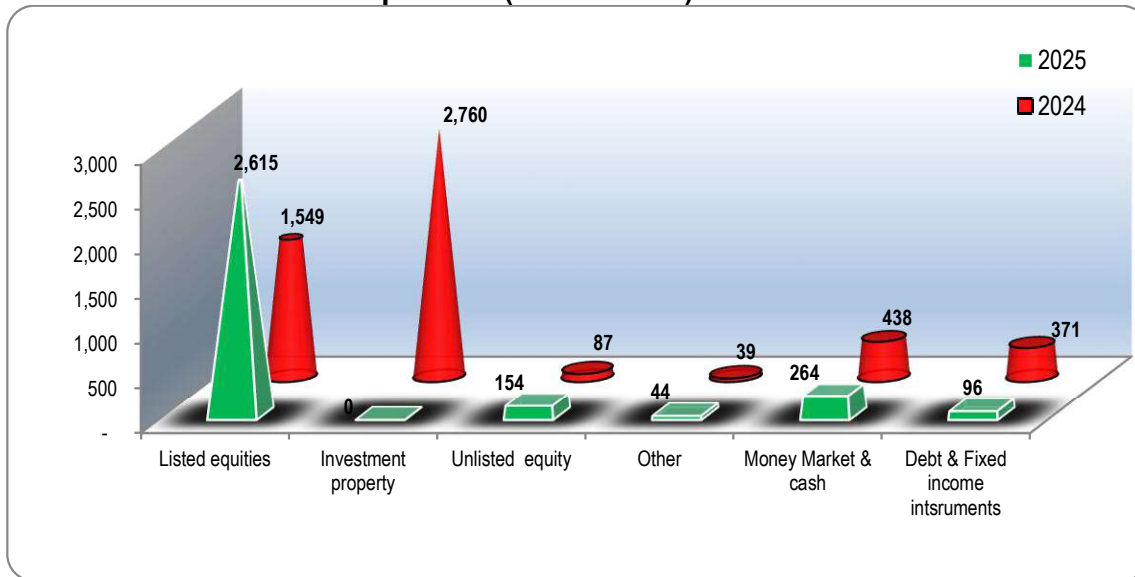
Expenditure Composition



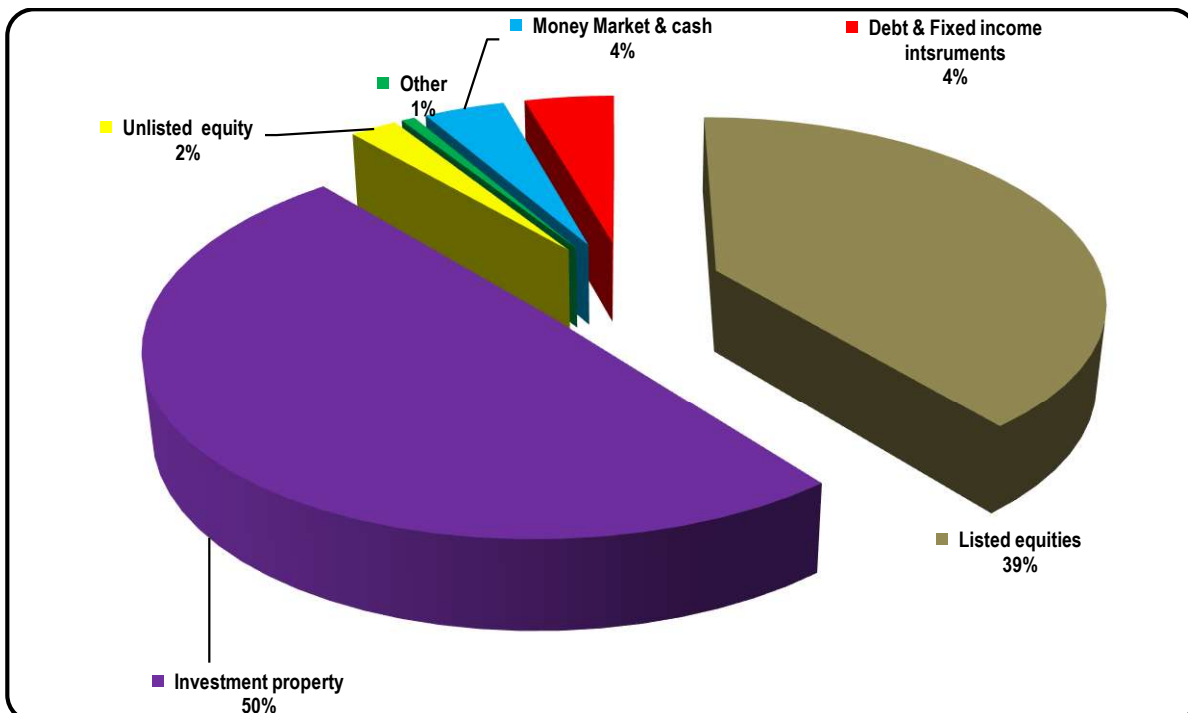
Notes to the Financial Statements

31 December 2025

Investments Portfolio Composition (ZWG million) at Market Value



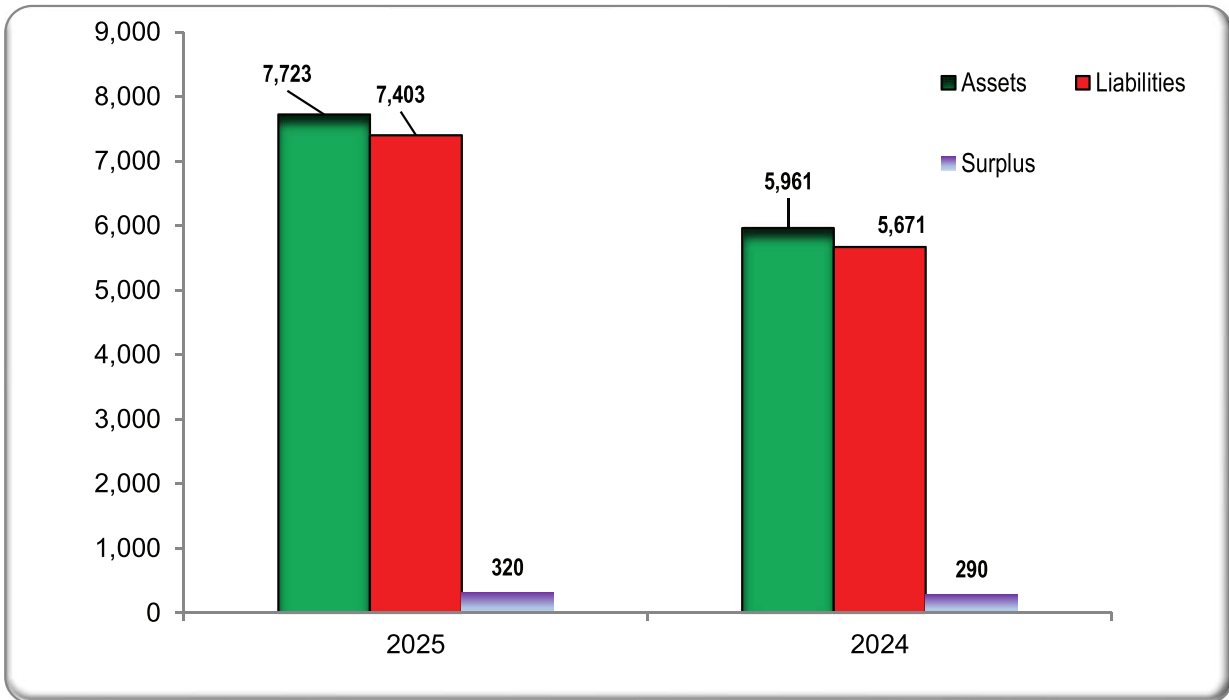
Investments Portfolio Asset Mix



Notes to the Financial Statements

31 December 2025

Surplus and Accumulated Fund (ZWG million)



Membership Statistics

