

4. INVESTMENT PORTFOLIO (continued)

Notes	2020 E000's	2019 E000's
PROPERTY		
Sibekelo Building at market value	240 779	240 716
The New Mall (Proprietary) Limited-shares at cost	30 861	29 956
Residential Estate at cost	11 397	10 053
T1 and T2 Properties –Shares at market	124 531	124 531
Ingcamu Hotel–Hilton Garden Inn at cost	504 830	463 339
	<u>912 398</u>	<u>868 595</u>
	<u>22 024 510</u>	<u>22 987 766</u>

5. ACTUARIAL VALUATION

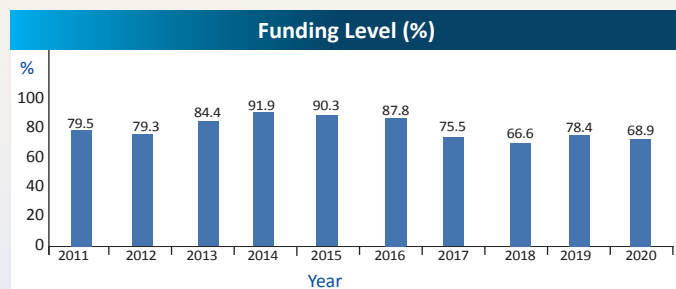
In accordance with the rules of the Fund, the financial position of the Fund is to be examined and reported on by the valuator at intervals not exceeding three years. The Board has resolved to value the financial position of the fund annually. The latest statutory valuation was as at 01 April 2020. The valuation covered the following membership.

	Number	Annual salary/ Pension E000's
Pensionable officers	42 130	5 843 791
Contract workers	112	51 361
Deferred pensioners	159	9 270
Pensioners (including suspended)	26 145	874 338

The net actuarial value of the Fund's assets was a deficit E10 066 million (2019: E6 422 million) as at the valuation date. The actuarial value of the assets has been taken at market value for valuation purposes. The actuarial valuation results in respect of past service was as follows:

5. ACTUARIAL VALUATION (continued)

	2020 E000's	2019 E000's
Accrued liability for Pensionable Officers	(20 353 678)	(19 131 858)
Accrued liability for Contract Workers	(30 374)	(40 547)
Deferred Pensioners	(79 925)	(68 384)
Pensioners	(11 526 075)	(10 206 089)
Benefits payable	(333 764)	(262 484)
Additional liabilities	(5 183)	(5 389)
Total liabilities	<u>(32 328 999)</u>	<u>(29 714 751)</u>
Actuarial value of assets	<u>22 262 990</u>	<u>23 292 913</u>
Deficit	<u>(10 066 009)</u>	<u>(6 421 838)</u>
Funding level: %	<u>68.9%</u>	<u>78.4%</u>



Contributions paid to the Fund, expressed as a percentage of pensionable salaries and before considering the deficit were:

	%
by members (average)	5
by government	<u>15</u>
	<u>20</u>

The contribution rate, after adding an allowance for expenses, required to support the level of benefits expected to accrue over the future service of current members was 24.2% (2019: 23.0%) of pensionable emoluments. This excludes any additional contribution required to reduce the deficit in the Fund.

5. ACTUARIAL VALUATION (continued)

The contribution rate required to eliminate the past service deficit over the next 15 years is 14.1% of pensionable emoluments. It should be noted though that in normal circumstances, pension fund deficits are required to be eliminated over a much shorter period than the future working lives of current employees.

In view of the level of underfunding a high degree of caution has to be exercised in granting salary/pension increases or any benefit improvements which could affect the liabilities of the Fund. The contribution rate required in order for the Fund to attain financial soundness over the next 15 years is 38.1% of pensionable emoluments.

6. BOARD OF TRUSTEES

The members who were in office at the time of approval of the financial statements were all appointed on 1 June 2019, and were as follows:

Name	Representing
Sammy Dlamini	Chairman
Dumisani Ndlangamandla	Employer representative
Dumsile J Ngwenya	Employer representative
Bathandwa Hlatshwayo	Employer representative
Hezekiel Mabuza	Employer representative
Celumusa Tembe	Employee representative
Celucolo Dlamini	Employee representative
Ross Maseko	Employee representative
Bheki Mamba	Employee representative
Dumisani Khumalo	Employee representative

7. PRINCIPAL OFFICER/CHIEF EXECUTIVE OFFICER

The Principal Officer is Mr L P Dlamini.

8. APPROVAL OF ABRIDGED FINANCIAL STATEMENTS

The information in this report is the responsibility of the Trustees and the Chief Executive Officer. The annual Financial Statements were approved by the Trustees on 08 July 2020 and are signed on their behalf by:

Sammy Dlamini
Chairman

[Signature]
Trustee

[Signature]
Chief Executive Officer

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PUBLIC SERVICE PENSIONS FUND



(Established under Section 3 of the Public Service Pensions Order, 1993)



PENSION FUND



ABRIDGED ANNUAL FINANCIAL STATEMENTS 31 March 2020

This report constitutes an abridged version of the audited Annual Report for the year ended 31 March 2020. Copies of the complete report can be obtained from the Director Finance of the Public Service Pensions Fund at the following address:

6th Floor, Ingcamu Building, Mhlambanyatsi Road, Mbabane

STATEMENT OF FUNDS AND NET ASSETS

At 31 March 2020

REVENUE ACCOUNT

For the Year Ended 31 March 2020

NOTES (continued)

NOTES (continued)



HEAD OFFICE

7th Floor, Ingcamu Building,
Mhlambanyatsi Road,
P.O. Box 4469, Mbabane H100

Telephone: +268 2411 9000
Toll Free: 800 2401
Email: info@pspf.co.sz

BRANCHES

NHLANGANO
FNB Building, Mshengu Street
Tel: +268 2207 9697

MANZINI
Estel House
Tel: +268 2505 7889

PIGG'S PEAK
Eswatini National Provident Fund Building
Tel: +268 2437 3708

SITEKI
Lubombo Shopping Mall
Tel: +268 2343 5713

facebook: /pspfswaziland

twitter: @pspf_swaziland

Notes	2020 E000's	2019 E000's
FUNDS		
Accumulated funds	1 <u>22 160 834</u>	<u>23 292 913</u>
ASSETS		
Property, plant and equipment	42 788	43 487
Investments	20 457 087	20 721 428
Investment property	881 537	838 638
Net current assets	<u>779 422</u>	1 689 360
Net assets	<u>22 160 834</u>	<u>23 292 913</u>
NOTES		
1. ACCUMULATED FUNDS		
Balance at beginning of year	23 292 913	21 649 314
Accumulated surplus for the year after taxation	(1 132 079)	1 643 599
	<u>22 160 834</u>	<u>23 292 913</u>
2. CONTRIBUTIONS RECEIVED		
Members	297 309	298 000
Contributing employer	889 721	890 947
TOTAL CONTRIBUTIONS	<u>1 187 030</u>	<u>1 188 947</u>

2. CONTRIBUTIONS RECEIVED (continued)

Notes	2020 E000's	2019 E000's
Contributions received	2 <u>1 187 030</u>	1 188 947
Income from investments	<u>2 412 932</u>	1 443 741
	<u>3 599 962</u>	2 632 688
Less: Administration expenses	(249 744)	(239 818)
	<u>3 350 218</u>	2 392 870
Less: Benefits awarded	3 (1 237 287)	(1 176 542)
Surplus before fair value adjustments	<u>2 112 931</u>	1 216 327
Adjustment to market value of investments	(3 245 010)	427 272
Accumulated funds for the year:		
- Before taxation	(1 132 079)	1 643 599
- After taxation	(1 132 079)	1 643 599
- At beginning of the year	<u>23 292 913</u>	21 649 314
- At end of the year	<u>22 160 834</u>	<u>23 292 913</u>
NOTES		
3. BENEFITS AWARDED		
Pension	857 472	777 898
Lump sums of death	47 605	62 240
Lump sums on retirements	303 139	304 578
Lump sums on withdrawals	5 383	7 159
Other	<u>23 688</u>	24 668
	<u>1 237 287</u>	1 176 542

4. INVESTMENT PORTFOLIO

The value of the Fund's assets held in the investment portfolio at year end was as follows:

Note	2020 E000's	2019 E000's
INVESTMENT MANAGERS - FOREIGN MANAGED PORTFOLIOS		
Allan Gray Asset Management (Proprietary) Limited	4 327 083	5 210 775
Coronation Asset Management (Proprietary) Limited	4 307	4 327 920
Foord Asset Management	510 396	1 330 106
Sanlam Investment Management (Proprietary) Limited	1 463 593	990 926
Stanlib Asset Management Limited	360 998	1 168 306
Stanlib Equity (SA)	1 059 183	-
Old Mutual Investment Group (Proprietary) Limited	988 142	-
Aluwani Capital Partners (Proprietary) Limited	1 068 885	-
Alexander Forbes Investment Jersey Limited	1 339 545	-
Gryphon Asset Management	18 028	-
	<u>11 140 160</u>	13 028 033
INVESTMENT MANAGERS - DOMESTIC MANAGED PORTFOLIOS		
Stanlib Asset Management Limited Eswatini	1 150 582	588 686
Inhlonhla Eswatini	2 043 853	1 889 610
African Alliance Eswatini	467 646	317 956
Old Mutual Eswatini	446 725	266 218
	<u>4 108 806</u>	3 062 470
MONEY MARKET AND SHORT TERM SECURITIES		
Stanlib Eswatini- Units at market value	217 460	556 946
African Alliance - Lilangeni Fund	151 382	289 807
Nedbank-Fixed term deposit	108 325	108 175
Standard Bank-Fixed term deposit	-	108 127
Eswatini Development and Savings Bank-Fixed term deposit	107 884	107 839
Old Mutual Absolute Growth Portfolio	20 623	173 452
Stanlib Unit Trusts- money market	40 308	41 586
Sanlam Unit Trust-money market	39 904	41 769
	<u>685 886</u>	1 427 699

4. INVESTMENT PORTFOLIO (continued)

	2020 E000's	2019 E000's
EQUITIES		
SWAPROP-shares at market value	45 863	35 123
Royal Eswatini Sugar Corporation - shares at market value	700	700
Swazi Empowerment Limited - shares at market value	506 790	494 916
Ezulwini Reinsurance Company Ltd -shares at market value	31 390	38 398
Eswatini Royal Insurance Corporation at cost	85 764	-
Ingcamu Hotel	9 269	-
SBC Limited	101 742	-
	<u>781 518</u>	569 137
LOANS		
Swaziland Building Society - Permanent shares	157 852	148 511
Eswatini Electricity Company	15 299	30 592
Eswatini Development & Savings Bank Select Limited loan 3	255 709	315 079
New Mall Loan	103 654	102 205
Eswatini Revenue Authority	6 942	6 942
Swaziland Sugar Association	625 354	625 714
Eswatini National Housing Board	355 678	355 817
Royal Eswatini Sugar Corporation	627 641	633 048
Eswatini MTN	39 723	59 899
Standard Bank Eswatini	38 324	-
	107 200	107 373
	<u>2 333 376</u>	2 385 180
BONDS		
Eswatini Government-SG 023-30/11/2020	68 611	68 594
Eswatini Government-SG017-31/10/2020	93 290	93 269
Eswatini Government-SG018-31/01/2024	98 934	98 909
Eswatini Government-SG024-31/01/2024	-	80 938
Eswatini Government-SG025-31/01/2024	205 616	205 562
Eswatini Government-SG026-31/01/2024	100 722	101 160
Eswatini Government-SG027-31/01/2024	104 477	104 447
Eswatini Government-SG029-31/01/2024	100 892	100 892
Eswatini Government-SG030-30/01/2024	101 088	100 715
Eswatini Government-SG031-31-01-2025	100 379	100 090
Eswatini Government-SG027A-31/10/2026	105 513	105 641
Eswatini Government-SGIB002-31/10/2025	101 854	101 413
Eswatini Government-SGIB004-29/03/2028	97 021	96 714
Eswatini Government-SGIB005-29/03/2028	99 686	99 080
Eswatini Government-SG033-29/03/2028	50 551	50 375
Eswatini Government-SG034-29/03/2028	70 140	69 816
Eswatini Government-SG035-29/03/2028	69 357	69 038
Eswatini Government-SG040-31/01/2024	91 177	-
Eswatini Government-SG041-31/01/2026	123 127	-
Eswatini Government-SG042-31/01/2026	80 709	-
Eswatini Government-SGIB006-28/09/2024	100 078	-
Eswatini Government- SGIB007-31/07/2026	99 144	-
	<u>2 062 366</u>	1 646 652