



2025 | ANNUAL REPORT

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National Foods Lochinvar Warehouse

ABOUT THIS REPORT

This Annual Report for the Zimbabwe Electricity Industry Pension Fund (ZEIPF) summarizes the Fund's performance and operational highlights for the financial year ended December 31, 2025. Its primary objective is to ensure transparency by sharing the Fund's financial and operational achievements with all Fund stakeholders.

STRATEGIC FOUNDATIONS



Vision

To ensure that all members achieve a secure and sustainable retirement income.



Mission statement

We are committed to providing the best service delivery and retirement security for our members – today and tomorrow.



Fund values

- Client centric.
- Diligence.
- Innovation.
- Professionalism.
- Integrity.



Cimas Hospital 35 Fife avenue

GENERAL INFORMATION

Nature of business

Provision of retirement benefits.

Board Members

Dr. H. M. Murerwa	Chairman
Engineer H. Choga	Vice-Chairman
Mrs. CBE Mutsvairo	Board Member
Mrs. M. Chigweremba	Board Member
Mr. E. Madzikanda	Board Member
Engineer Y. Mufambi	Board Member
Ms. P. Mbuta	Board Member
Mr. B. Ndlovu	Board Member
Mr. S. Mkanganwi	Board Member

Principal Officer

Bright Kondo



Offices

4th Floor Megawatt House 44 Samora Machel Avenue Harare

Fund Actuary

Mureriwa Actuarial Outsourcing Services (Pvt) Ltd 41 Guilford Drive
Brookview Harare

Auditors

AMG Global
Chartered Accountants (Zimbabwe) Registered Public Auditors
3 Elcombe Avenue, Belgravia
Harare

Bankers

Stanbic Bank
Samora Machel Avenue Harare

Equity Asset Managers

Datvest Asset Managers Datvest Stand
312 Corner Edinburgh/ Campbell Road, Pomona, Harare.

CHAIRMAN'S REPORT



Dr. Herbert M Murerwa | Board Chairman

Dear Member,

It is my pleasure to present the Fund's Annual Report and financial statements for the year ended 31 December 2025, which provide an overview of the Fund's financial performance, governance, operations and strategic progress during the year under review.

Operating environment overview

The Zimbabwe economy demonstrated a significant and resilient rebound in 2025, recovering from the El Nino induced slowdown of the previous year. Real Gross Domestic Product (GDP) growth for 2025 is estimated at 8.2% (according to the RBZ 2025 Annual Report), a marked increase from the 1.7% recorded in 2024. The fiscal environment remained focused on stability. The Government's strategic direction, through the National Development Strategy 1 (NDS1), helped maintain a modest current account surplus (USD 960 million), supported by strong mineral exports and consistent diaspora remittances. The year 2025 was a pivotal year for monetary stability. The Zimbabwean Gold (ZWG) currency introduced in April 2024 showed durable stability throughout the year 2025. A tight monetary policy successfully anchored month-on-month inflation. By September 2025, monthly inflation had dipped into negative territory (-0.25%), reflecting an easing of price pressures on essential goods.

The Government intensified its focus on the "Ease of Doing Business". A key highlight of 2025 was the 'Red Tape' reduction initiative which focused on consolidating overlapping inspections and simplifying licensing requirements. This shift towards a service-delivery mindset in public agencies lowered the cost of doing business.

2025 to 2029 strategy implementation

The Fund's focus for the year 2025 was on transitioning to 'Mudyandigere' - a milestone where the average pension payout was targeted at USD161.00 per pensioner, with an average income replacement ratio (member's pension as a fraction of the member's final basic salary) of 54%. As of 31 December 2025, the Fund's average consolidated pension stood at USD173.00, and the average income replacement

CHAIRMAN'S REPORT (CONTINUED)

ratio was 49.2%. The major key drivers/initiatives which helped the Fund to achieve this goal were:

1. Successful conclusion of the indexing of ZWG pension contribution arrears to the United States Dollars (USD).
2. Conclusion of value preservation on the ZESA Staff Pension Fund actuarial deficit. 74% of the Fund pensioners have a portion of their pension in the ZESA Staff Pension Fund, thus assessment of their retirement benefits is done at a consolidated level (that is, incorporating their ZESA Staff Pension Fund pension benefits).

Over and above the initiatives stated above, the Board continued to implement various initiatives aimed at improving Fund performance to support the continued award of pension increases and continuous assessments of the sustainability of pension payments into the future.

Financial results

The relative stability of the 2025 economic environment meant that the Fund's primary focus shifted towards growth and value creation rather than value preservation strategies typically adopted in inflationary environments.

Key inflation adjusted financial results are summarized below

Description	2025 results (ZWG)	2024 results (ZWG)	Change %	Comment
Revenue	1.1 billion	367 million	192%	74% of the growth came from pension contribution income and 26% from investment income.
Expenditure	114.5 million	91.5 million	26%	The bulk (55%) of the expenditure was for pension benefit payments. Operating and investing expenses continued to be monitored within regulatory limits set by the Insurance and Pension Commission (IPEC).
Surplus	957.3 million	275.4 million	248%	The increase was due to an increase in Fund revenue and positive investment performance.
Total Assets	3.9 billion	2.9 billion	33.1%	There was real growth in Fund assets after considering the impact of inflation.
Cash inflow from contributions	463 million	508 million	-8.9%	The Fund continued to face challenges in collecting pension contributions. Collection rates continued to be below Fund targets and regulatory requirements.
Fund Return Fund A – (ZWG Fund)	21.09%	118.3%		Performance was above ZWG inflation of 15% and currency deterioration of 0.71% for the year.
Fund B – (USD Fund)	11.13%	9.3%		Return mainly from USD pension contribution arrears which were levied interest at 15% per annum.

Investments

In 2025, the Fund's focus was on optimizing investment returns by investing in high-yielding investments that would hedge against currency depreciation and inflation. Key investment highlights include:

i. Investment property

Investment property is one of the key assets in which the Fund is invested in. The major aim of the Fund is to optimize returns and hedge against currency deterioration and inflation. During the year 2025, the Fund worked on two main projects, namely, redevelopment of the Lochinvar Warehouse in collaboration with the ZESA Staff Pension Fund and development of a Park Inn By Raddison Resort in Victoria Falls. Enabling works were done to develop a hotel in Bulawayo. The Fund's exposure to investment property stood at 46.1% through ownership of 15 properties across the country in various sectors.

The Fund continued to defend its key property performance indicators, closing the year at a rental collection rate of 81%, a 7% rental yield, and 98% occupancy, versus strategic targets of 80% collection rate, 7% rental yield and 90% occupancy respectively.

CHAIRMAN'S REPORT (CONTINUED)

ii. Quoted shares

The 2025 financial year was one of the best performing years for quoted shares. The Zimbabwe Stock Exchange Industrial Index closed the year at 27.7% and the Victoria Falls Stock Exchange at 70.16%. The Fund outperformed both indexes, generating returns of 47.79% and 88.52% on the respective markets, thereby exceeding the performance of the industrial index, inflation and currency depreciation. The Fund's exposure in quoted shares was 9.9% against a strategic target of 30% due to cashflow constraints.

iii. Unquoted shares

The Fund was 3.5% invested in unquoted shares through the Mangwana Opportunities Fund against a strategic target allocation of 10%. This investment earned a return of 9.6% during the year against ZWG inflation of 15%. In line with its objective of increasing exposure to private equity investments and enhancing portfolio diversification within the asset class, the Fund established two Special Purpose Vehicles (SPVs) to manage hospitality and renewable energy and related energy investments. These SPVs are currently wholly (100%) owned by the Fund and are intended to serve as strategic investment platforms capable of accommodating external investors in future, thereby facilitating the execution of larger-scale and capital-intensive projects.

iv. Mortgages

Following exchange rate stability, the mortgage facility was revived in August 2024. Throughout the year 2025, funding continued to be availed for the investment, although the quantum of funding remained constrained by the low collection rate of ZWG pension contributions. 10% of the collected pension contributions were being channeled towards the scheme. As of 31 December 2025, 0.7% of Fund assets were invested in mortgages against a strategic target of 10%, thus there is scope for the Fund to do more in future, subject to improved contribution inflows and funding availability. A return of 18.67% was earned from mortgage investment.

v. Fixed instruments

Investments into fixed instruments were limited by funding challenges. Opportunities to earn positive returns were available but due to low pension contributions collection rates, funding was mainly being channeled towards property developments to ensure that they would be completed within scheduled timelines. As of 31 December 2025, the Fund's exposure to fixed instruments stood at 0.7%, with 70% of these instruments being offshore investments.

vi. Prescribed assets

As of 31 December 2025, the Fund's prescribed asset ratio was at 34.26%, and compliant with the minimum regulatory requirement of 20% of the Fund's assets' fair value.

Asset allocation as of 31 December 2025

Asset	2025 Exposure	2024 Exposure
Investment property	46.1%	45.9%
Quoted shares	9.9%	9.5%
Unquoted shares	3.5%	4.9%
Fixed instruments	0.7%	0.7%
Contribution arrears	36.4%	36.7%
Mortgage	0.7%	0.5%
Other assets	2.7%	1.7%

Pension contribution arrears

The Fund has had a perennial problem with the collection of outstanding pension contributions. As of 31 December 2025, pension contribution arrears remained the second highest Fund asset at 36.4% of Fund value. Efforts to collect pension contributions have been ongoing both from the Board and the Insurance and Pensions Commission (IPEC) – which is the Fund's primary regulator. Due to the continued low levels of pension contributions remittance:

- The Fund is categorized as a "troubled entity" as more than 10% of its assets are in pension contribution arrears.
- The Fund is failing to fund critical projects as planned and to avail funding to the mortgage facility.
- The Fund is non-compliant with the exposure level of investment which requires that investments with the employer should not exceed 10% of Fund value and payment of pension contributions should be done by the 14th of the following month from when contributions become due.

The delays in remittance of ZWG pension contributions have also resulted in loss of value of the principal amount owed. As a result, engagements were made with the ZESA Holdings Board to index arrear pension contributions to the United States Dollar (USD) to preserve value. A resolution was passed in December 2025, and ZWG pension contribution arrears were indexed to USD with effect from 28 February 2023. This had an impact of increasing the pension contribution arrears by an equivalent of USD13.9 million as of 31 December 2025, hence increasing the return allocation for members.

Actuarial Assessment, pension increases and bonuses

Based on the historical results, the Fund generated the following returns for the year:

	Return	Comment
Sub Fund A (ZWG assets and liabilities)	21.09%	Above ZWG inflation of 15% and currency deterioration of 0.7% for the year.
Sub Fund B (USD assets and liabilities)	11.13%	Above target return of 8% per annum.

CHAIRMAN'S REPORT (CONTINUED)

The Board continues to focus on ensuring sustainability of retirement income by investing in assets that optimize investment returns, which would enable awarding of regular pension increases. The Board is further cognizant that the country is in a multiple currency regime, and as such, pensioners' income should reflect this position. The Fund in 2025 continued with payment of USD denominated discretionary pension lump sums to pensioners monthly in line with the Fund's forex generation capacity while monitoring the continued stability in the market.

The Fund in 2025 awarded the following pension benefit adjustments:

Member category	Cumulative awards - year 2025	Cumulative awards - year 2024
Active members	Sub Account 1 - 26% Sub Account 2 – 15.12% Sub Account 3 – 11.13%	Sub Account 1- 169% Sub Account 2 – 79.4% Sub Account 3 – 9.3%
Preserved members	26%	169%
Pensioners	26.5%	127.5%

Despite earning 11.13% USD return, Sub-account 3 faces challenges as most funds remain with the employer. USD pension contributions arrears increased by 74.6% to USD23.6 million in 2025, up from USD13.5 million in 2024. This poses a risk of benefit payment delays for members, given that the funds are held by the employer. The 2025 USD pension contributions collection rate stood at 17.6% of pension contributions due.

Fund Membership as of 31 December 2025

Description	2025		2024	
	Count	%	Count	%
Actives	7,210	83%	7216	83%
Principal Pensioners	810	9%	794	9%
Beneficiaries (spouses and children)	716	8%	666	8%
Total	8,736	100%	8,676	100%

The stable membership, coupled with increases in salaries, broadens the pension contribution base and puts the Fund in a better position for investment growth.

Beneficiaries form an important component of the Fund, although they represent just a small percentage of the total membership.

Member Engagement.

Efforts to improve customer or member experience continued to be implemented during the year and are ongoing to ensure that active members and pensioners easily access the Fund, experience improved service delivery and receive higher pension benefits.

Physical engagements were made across all six regions in 2025, as part of national outreach. In partnership with the ZESA Holdings Stakeholder Relations, Welfare and Communications Office, the Fund engaged former employees across the country, reaching more than 526 pensioners. This represented a 150.5% increase from the 2024 level of 210 pensioners, indicating higher member awareness. Furthermore, the Fund carried out retirement planning sessions for ZETDC, REF and Powertel employees above the age of 50.

Regular member education sessions provide Fund members with the opportunity to ask questions and allow the Fund to empower them to continuously make the right decisions towards retirement planning. Fund management will continue with these engagements to empower members to plan their retirement better.

In 2025 the Fund engaged members/pensioners through the following ways:

1. Fund website www.zeipf.co.zw
2. Fund WhatsApp: 0777 953 777
3. Emails: benefits@zesapf.co.zw
4. Fund Telephone: +263 242 252736-8 / 252764 / 252845
5. Circulars
6. National Outreach Programs (Face to face)

CHAIRMAN'S REPORT (CONTINUED)

Compliance

The Insurance and Pensions Commission (IPEC) released the following circulars in 2025.

Circular	Release Date	Content
Circular 1 of 2025	2 January 2025	Pension Funds Reporting Requirements.
Circular 2 of 2025	15 February 2025	Submission of Quarterly Levy Computations and Due Dates.
Circular 4 of 2025	7 February 2025	2025 IPEC AML/CFT/CPF Industry Training Calendar.
Circular 6 of 2025	24 February 2025	Engagement with the Consultant on Financial Sector Development Policy.
Circular 7 of 2025	7 March 2025	Invitation to Participate in Digital Transformation Assessment.
Circular 8 of 2025	27 March 2025	2024 Financial Reporting.
Circular 9 of 2025	28 March 2025	Directive on Revised Statutory Reporting Deadlines.
Circular 10 of 2025	28 March 2025	Market Conduct Framework for the Insurance and Pensions Industry.
Circular 19 of 2025	27 August 2025	Revised Quarterly Return for Pension and Provident Funds.
Circular 20 of 2025	15 August 2025	Registration of Financial Statements Prepares with Public Accountants and Auditors Board.
Circular 21 of 2025	15 August 2025	Urgent Request for Comprehensive Annuitants Data.
Circular 22 of 2025	4 September 2025	Guideline on Administrative Framework for Offshore Investments.
Circular 23 of 2025	10 September 2025	Request for Comments and Input into the Guideline on Preservation Funds.
Circular 24 of 2025	10 September 2025	Guideline on Revised Reporting Requirements for Pension Funds.
Circular 25 of 2025	16 September 2025	Board of Fund Members (Trustees) Toolkit.
Circular 26 of 2025	15 September 2025	Guideline on Self-insurance and Underwriting of Annuities by DC Funds.

Pension contribution arrears non-compliance

Non-compliance with pension contribution payments persisted, though efforts by Fund management and the Board to collect contributions have been ongoing. Pension regulations require pension contributions to be remitted by the 14th day of the following month; however, ZESA Holdings and its subsidiaries have consistently fallen short of this requirement. This has resulted in the Fund's pension contribution arrears exposure being at 36.4% exceeding the 10% limit set by IPEC.

The Board and management continue to work with ZESA Holdings and IPEC to address pension contribution payment issues. As of April 2026, a payment plan to clear arrears over 60 months was submitted by ZESA Holdings to the regulator (IPEC). The Fund's 2025 pension contributions collection rates were 50.9% for ZWG pension contributions, down from 61.3% in 2024 and 17.6% for USD contributions up from 9.87% in 2024.

The Board, through the Audit, Risk and Compliance Committee, continues to monitor all non-compliance issues and mitigation measures being implemented to address them.

CHAIRMAN'S REPORT (CONTINUED)

Sustainability

Sustainability is at the heart of the Fund's strategy and operations. Our investments prioritize sustainability, embedding best practices across all our projects and investments to ensure a positive impact. As part of its commitment to sustainability, the Fund is powering its new buildings with solar power as the primary source of energy. Existing properties are also scheduled for solar installation as their main source of power.

Outlook

The outlook for 2026 is notably optimistic, with the Ministry of Finance, Economic development and Investment promotion projecting 2026 growth at 5%. This projection is supported by a successful transition to the National Development Strategy 2 (NDS2) and the conclusion of the International Monetary Fund Staff-Monitored Program in early 2026. The Fund has adjusted its strategy to prioritize risk management, sustainability, and value preservation. By leveraging opportunities in high-growth sectors and ensuring business resilience, the Fund is well-positioned to protect and grow members' assets, delivering on its promise of a secure retirement.

To safeguard value for members and pensioners, the Fund has a pipeline to create strategic high yielding assets. Notably, the Park Inn by Raddison Resort in Victoria Falls being developed and scheduled to open doors on 31 December 2028 which will be operated by the Raddison Hotel Group. Additionally, the Fund is diversifying its portfolio by venturing into solar energy, with focus for 2026 being on rooftop solar on the Fund's properties.

The Fund is passionate about continuously enhancing member experience and is regularly reviewing ways to improve the mortgage scheme in line with developments in the market. The Board of Fund is confident in the Fund's resilience, underpinned by its diversified investments, its talented team, trusted advisors, and above all patience from Fund members. We are dedicated to achieving the best possible outcomes for our members and beneficiaries.

Appreciation

I would like to express my deepest gratitude to the Board of Fund, management, and staff for their outstanding efforts and dedication throughout the period under review. Additionally, I thank our valued members and pensioners for their continued patience, loyalty, and trust in the Fund. Further appreciation is extended to our service providers and stakeholders for their ongoing partnership, support, and confidence in the Fund.



Dr. Herbert M Murerwa
Board Chairman



Outreach sessions

GENERAL MANAGER / PRINCIPAL OFFICER'S REPORT



Bright Kondo | Principal Officer

Dear Member,

I am pleased to share the Fund's financial and operational performance results for the year ended 31 December 2025, which reflects your Fund's ongoing commitment to deliver secure and sustainable retirement income for all members.

Financial results

The Fund's financial results demonstrate that it is geared to grow. In inflation adjusted terms, the Fund posted a surplus of ZWG 957.3 million, compared to ZWG 275.4 million in 2024. 72.4% of the ZWG957.3 million was contributed by pension contributions income while 27.6% was from investment income. With 72.4% of the income being derived from pension contributions, the efficient collection of these pension contributions remains critical to sustaining liquidity, enabling strategic investment deployment, and generating sustainable returns that enhance value for members.

The Fund's real asset exposure decreased slightly to 59.5% in 2025 from 60.3% in 2024. Deployment of funds into various planned investments was below targets due to low collection rate on pension contributions. The Fund has room to increase its quoted shares exposure from December 2025 level of 9.9% to 30% of Fund value in line with the Fund's Investment Policy Statement limits. Quoted shares have also been one of the sources of USD inflows for the Fund through dividend declarations with yields as high as 11% in some of the counters such as Econet Wireless Limited. The remaining 40.1% of Fund assets were in pension contribution arrears (36.4%) and other assets (3.7%). The Fund's total assets grew by 33.1% to ZWG 3.9 billion in 2025 from ZWG 2.9 billion in 2024.

Performance against 2025 Strategic Plan

The Fund in 2025 was focused on:

i. Optimizing investment yield

Investment property

The Fund was focused on investing in high yield assets that preserve value. Notable projects worked on in 2025 included:

- a. Construction of the Victoria Falls 4-Star Hotel (Park Inn By Raddison Resort). The following milestones were achieved in 2025:
 - i. Completion of the Raw waterline from Zambezi to the Hotel Site.
 - ii. Completion of the Permanent Power Site Substation.
 - iii. Signing of an International Management Agreement with the Radisson Hotel Group – Belgium.
 - iv. Commencement of bulk earthworks in November 2025.
- b. Lochinvar Warehouse redevelopment – The Fund collaborated with ZESA Staff Pension Fund to redevelop the ZESA Staff Pension Fund's dilapidated warehouse. The redevelopment was completed in 2025 and by December 2025 the Contractor was working with the tenant on tenants fit outs.

GENERAL MANAGER / PRINCIPAL OFFICER'S REPORT (CONTINUED)

The investment property portfolio was closely managed to ensure rental income was aligned with market rates thereby optimising returns. The Fund also focused on increasing USD rentals and achieving 100% rental collection, driving Fund performance. This led to:

- a. The proportion of USD rentals increasing from 68% of total rental income in 2024 to 75% by the end of 2025, reflecting a significant increase in foreign currency- denominated earnings.
- b. The Fund achieving:
 - i. Rental yield of 7.12% versus market average of 6%,
 - ii. Rental collection rate of 81% versus market average of 84%, and
 - iii. Occupancy rate of 98% versus market average of 92%.

Pension contributions

The Fund continues to face challenges with non-payment of pension contributions. Discussions with ZESA Holdings regarding pension contribution remittances to the Fund are ongoing. Fund Management and the Board of Fund have continued to engage both ZESA Holdings and the regulator, the Insurance and Pension Commission (IPEC) to ensure that the challenge of pension contribution collections is resolved. These engagements have led to ZESA Holdings submitting a payment plan to the regulator (IPEC) for settling pension contribution arrears over a

60-month period while paying current pension contributions in full. The payment plan was submitted in April 2026.

The Fund collected 50.9% of ZWG pension contributions and 17.6% of USD pension contributions in 2025, representing a notable increase for USD contributions from the 9.87% collection rate in 2024 and a decrease in ZWG contributions from 60.1% in 2024. The Fund has remained:

- a. Non-compliant with the exposure level of pension contribution arrears at 36.4% of Fund value, which is above the IPEC limit of 10%.
- b. The top contributor to pension contributions arrears in the market. ZEIPF as of 31 December 2025 contributed 35.5% of the total contribution arrears of stand-alone pension funds. This position has resulted in the Fund being labelled as a "troubled entity" as it has more than three months outstanding contributions and being more than 10% of the total assets.

The low collection rate also impacted the Fund's capacity to continue with investments as planned and as a result, the Fund has been losing value due to currency deterioration. The Fund and ZESA Holdings resolved to index ZWG pension contribution arrears to USD with effect from 28 February 2023 as a mitigation measure to value loss.

Offshore investments

To mitigate currency risk, the Fund invested in Trade and Development Bank's fixed instruments (TDB), an offshore investment. As of 31 December 2025, the investment in TDB was 0.5% of Fund value. The Fund is targeting an exposure of 5% in offshore investments. Investment into offshore remains subdued due to lack of funding as a result of low collection rate on USD pension contributions.

ii. Enhancing member experience

The Fund aims to provide excellent service and to improve the level of benefits to an average of USD161 per month. Several initiatives were implemented during the year to improve member experience. These initiatives included:

- a. Engagement of members through outreach sessions at various workstations.
- b. Initiatives to restore value loss on ZWG pension contribution arrears and the actuarial deficit. Conclusion of these initiatives resulted in pension increases being awarded such that at consolidated level, on average ZEIPF pensioners are now earning USD173 per month.

With the bulk of the Fund members still in active service (as tabulated below) it is critical that initiatives aimed at this category drive positive outcomes.

	2025		2024	
	Number	%	Number	%
Actives	7,210	83%	7,216	83%
Principal pensioners	810	9%	794	9%
Beneficiaries (spouses and children)	716	8.0%	666	8%
Total	8,736	100%	8,655	100%

GENERAL MANAGER / PRINCIPAL OFFICER'S REPORT (CONTINUED)

Mortgage loan facility

The Fund's Board, as part of its initiatives to assist members in securing their retirement, targets to invest 10% of collected ZWG pension contributions into the mortgage facility. Due to depressed collection levels, the Fund has not been able to fund the scheme in line with demand by Fund members.

The Fund continues to conduct market research for developments in the mortgages market to ensure that terms are always aligned with the market.

iii. Operational sustainability

The Fund remains focused on cost management, ensuring expenses stay within the regulatory threshold of 15% of collected contributions. As of December 2025, the expense ratio stood at 11.1%, well within the limit.

Compliance with circular 24 of 2025 – Guideline on Revised Reporting Requirements for Pension Funds

Following the issuance of Circular 24 of 2025, the Fund proceeded to prepare the 2025 financial statements in line with International Accounting Standard 29 – Financial Reporting in Hyperinflationary Economies. Thus, 2025 financial statements are presented under both the historical cost basis and inflation adjusted basis.

Sustainability

At the heart of your Fund's operations is a commitment to sustainability and responsible investment. As national and international communities focus on Environmental, Social and Governance (ESG) matters grow, we're dedicated to aligning your investments with these principles, ensuring your portfolio is both sustainable and future fit. This commitment is reflected in the Fund's decision to create a Renewable Energy and Other Energy Related Investments Special Purpose Vehicle to spearhead investments into renewable energy.

The Fund's investment approach prioritizes not only investment returns for Fund members but also community impact, focusing on job creation and economic empowerment in the communities where the Fund operates.

Industry trends

The episodes of inflationary pressures experienced in the economy have left many retirees struggling to make ends meet due to payouts that no longer align with the actual cost of living.

This issue has raised concerns over reliability of pensions in retirement. A number of initiatives are being implemented in the industry to address this position.

The industry is mainly responding by payment of USD payouts though they are not adequate to restore value or in line with complexion of transactions on the market.

The Insurance and Pensions Commission (IPEC) is actively working on reforms to improve compliance, transparency, and governance in the sector. This includes efforts to ensure pension funds are better managed and more aligned with member interests.

There is a slow but steady shift towards the use of digital platforms for pension administration and member engagement. This includes online portals for pension contributions, benefit tracking, and communication, although adoption is still in early stages.

Outlook and appreciation

Looking ahead, the Fund will focus on:

- a. Collection of both ZWG and USD contributions in line with the submitted payment plan to clear arrears over a 60 month period and the remittance of monthly pension contributions in full.
- b. Maintaining the Fund's investment property to ensure long-term sustainability and future fitness.
- c. Development of Park Inn By Raddison Resort.
- d. Investing in renewable energy and other energy related investments.
- e. Monthly reviews of pension payments in line with the returns generated by the Fund, and,
- f. Funding of the mortgage loan facility in line with set targets to clear the backlog.

I am grateful for the tireless efforts of the Fund's Board, Fund management and staff, who have demonstrated remarkable dedication and expertise in navigating the complexities of our operating environment. Their passion for delivering exceptional member experiences and driving innovation continues to propel your Fund forward.



Bright Kondo
Principal Officer

CORPORATE GOVERNANCE STATEMENT

ZEIPF is committed to sound corporate governance principles as laid out in the King V code, National Code on Corporate Governance in Zimbabwe, and guidelines from IPEC. The Board notes the need to conduct Fund affairs with principles of transparency, integrity, and accountability and in accordance with generally accepted corporate governance practices, in the interests of its members, employees and other stakeholders. This ensures that Fund members and other stakeholders have the assurance that the Fund is being managed ethically, according to prudently determined risk parameters and best practices towards protecting and adding value to members' Fund values.

The Board's Code of Conduct, the Board Charter, the Pensions and Provident Funds Act [Chapter 24:32] are available for the Board to refer to, regarding their fiduciary duties and obligations.

The Board's evaluation exercise is carried out annually.

Board Responsibility

The Board's primary responsibility is to discharge its fiduciary responsibility to Fund members. The Board meets quarterly to monitor management performance and ensure proper control over the Fund's strategic direction.

The Board is aware that it takes independent professional advice at the Fund's expense, if necessary, for the furtherance of its duties.

Board composition

The Board is composed of nine board members made up of one independent expert Board Member, four (4) Employer appointed Board members, and four (4) Member elected Board members, with one (1) being a Pensioner elected Board member. The Board outsources skills it believes are not sufficiently represented with the skills and experience of the Board, yet necessary to achieve the Fund's goals.

Nomination of Board Members

The Fund is guided by the Fund's Rules in the appointment of Board Members. The rules state that employer Board members are appointed by the employer while member Board members are elected by members.

Strategic Planning Process

The Board meets annually to discuss and set the strategic initiatives of the Fund on a 5-year rolling period.

Board Committees

The Board has the following Committees that assist in the discharge of its responsibilities:

i. Audit, Risk and Compliance Committee (ARCC)

The ARCC meets at least once per quarter and is responsible for:

- The integrity of the Fund's financial statements and the effectiveness of governance systems, risk management and internal controls, and for monitoring the effectiveness and objectivity of internal and external auditors.
- Monitoring consistency of the Fund's accounting policies.
- Reviewing the scope of work of internal auditors and the planning memorandum for external auditors.
- Recommendation of the appointment, and fees of both internal and external auditors who have unrestricted access to it.
- Assisting the Board in fulfilling its corporate governance oversight responsibility regarding the identification, evaluation, and mitigation of operational, strategic, and external risks.

The members of the Committee are:

1. Mrs. M. Chigweremba
2. Eng. Y. Mufambi
3. Eng. P. Mbuta

The Board is satisfied with the level of experience and competence of committee members.

ii. Finance, Investments and Procurement Committee (FIPC)

This Committee meets at least once per quarter and:

- Considers management recommendations regarding investment opportunities in various asset classes.
- Reviews the performance of the Fund and the actuarial recommendation for pension increases and bonuses.

The members of the Committee are:

1. Eng. H. Choga
2. Mr. E. Madzikanda
3. Mr. B. Ndlovu

The Board is satisfied with the level of experience and competence of committee members.

iii. Human Resources, Remuneration, Legal and Benefits Committee (HRRLBC)

The Committee meets at least once per quarter and:

- Handles any legal issues for the Fund and the review of members/pensioners benefits.
- Considers Fund staff remuneration issues, oversee the recruitment of high-level positions and conditions of service.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

The Committee members are:

1. Mrs. C. Mutsvairo
2. Mr. S. Mukanganwi

The Board is satisfied with the level of experience and competence of committee members.

Meeting attendance during the year

	Board	FIPC	ARCC	HRRLBC
Total meetings	5	5	4	5
Dr. H. Murerwa	4	-	-	-
Eng. H. Choga	4	5	-	-
Mrs. CBE Mutsvairo	5	-	-	4
Mr. E Madzikanda	5	5	-	-
Mrs. E. Chigweremba	5	-	4	-
Mr. B Ndlovu	5	5	-	-
Mr. S. Mkanganwi	5	-	-	5
Ms. P. Mbuta	5	-	4	-
Eng. Y. Mufambi	5	-	4	-

RISK MANAGEMENT

Risk management approach

The Fund developed an enterprise risk management framework in line with ISO 31000 International Risk Management Standards. The Fund risk management approach is based on the Enterprise Risk Management Model which involves all levels of management in identifying and managing risks affecting the Fund. The Fund's Audit, Risk and Compliance Committee (ARCC) is responsible for monitoring the Fund's risk management processes and providing oversight over implementation of risk mitigation measures.

Management of risk is at the heart of Fund business planning processes and is core to achieving Fund strategic goals. The Board is responsible for risk management and internal controls at the Fund. It discharges its responsibility through the Audit, Risk and Compliance Committee. The Board provides guidance on tolerable risks, risk appetite, and the adequacy of prevailing controls in managing risks while executive management is responsible for the implementation of the risk management framework.



Parklands shopping complex Bulawayo

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Top 5 Fund's risk exposures

The following were the key strategic risks the Fund faced in 2025 and the mitigation measures in place to reduce their impact to attain the strategic objectives.

Risk Subcategories and description	Inherent	Mitigation Measures	Residual
Funding liquidity risk i. Possibility of dragging conversations on the resolution on indexing ZWG pension contribution arrears. ii. Continued non remittance of contributions by the Sponsoring employers.	●	1. Continued high level engagements for pension contributions collections. 2. Use base case scenario in planning and strategies on the probable scenario.	●
Market risk i. Risk that the Funds will continue to be negatively impacted by exchange rate depreciation. ii. The risk that the Fund may not earn real returns above 8% in USD. iii. The risk of continued losses resulting from official and alternative market exchange rate gaps, i.e., the Fund receives income at an official rate and deploys it at high premiums.	●	1. Continue with active equity management strategies. 2. Ensure monthly pension reviews and passing on of Fund interest to members. 3. Ensure that all investment decisions factor market risk analysis through following decision quality steps.	●
Currency risks – The risk that the Government of Zimbabwe will implement mono currency in a manner which may result in loss of value on monetary financial assets if not done properly.	●	1. Continue with strict cashflow management ensuring that the Fund holds no cash assets either USD or local currency. 2. Invest in assets that hedge against currency depreciation and inflation.	●
Regulatory risk / Country risk – risk of: i. Possible policy pronouncements or changes that affect the operating environment, i.e., fiscal and monetary policies. ii. Possible future regulations about ESG.	●	1. Invest within the IPS limits to reduce concentration risk. 2. Continue considering ESG factors in all the investments, integrated reporting, pension payments, administration and human resources activities of the Fund.	●
Private Equity risk – risk of loss of value from the private equity such as governance risk, liquidity risk, failure in underlying operations and loss of control on assets.	●	1. Limit the exposure to private equity to the IPS limit even if they seem to be performing. 2. Ensure continued periodic assessment of the private equities.	●

THE BOARD RESPONSIBILITY STATEMENT

The Board of the Zimbabwe Electricity Industry Pension Fund (“the Fund”) is responsible for the preparation and fair presentation of the Fund’s financial statements, in accordance with the basis of preparation applicable to retirement funds in Zimbabwe and the provisions of the Pension and Provident Funds Act [Chapter 24:32] of Zimbabwe, as amended, as set out in the statement of accounting policies, and for such internal control as the Fund’s Board determines necessary to enable the preparation and presentation of the financial statements that are free from misstatement, whether due to fraud and/or error.

The Board acknowledges that they are ultimately responsible for the system of internal financial controls established by the Fund and place considerable importance on maintaining a strong control environment. To enable the Board Members to meet these responsibilities, the Board Members set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Fund, and all related service providers are required to maintain the highest ethical standards in ensuring the Fund’s business is conducted in a manner that in all reasonable circumstances, is above reproach. The focus of risk management in the Pension Fund is on identifying, assessing, managing and monitoring all known forms of risk across all Fund operations. While operating risk cannot be fully eliminated, the Fund endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Board Members are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The financial statements have been prepared so as to comply with International Financial Reporting Standards, Pension and Provident Funds (Amendment) Regulations, 2020 (No. 25), Statutory Instrument 91 of 2020 and the Insurance and Pensions Commission Circular 24 of 2025, which form the basis of preparation applicable to retirement funds in Zimbabwe and

the provisions of the Pension and Provident Funds Act (Chapter 24:32) of Zimbabwe, as amended. The Fund’s independent external auditors, AMG Global Chartered Accountants, are responsible for reporting on the fair presentation of the annual financial statements and their report appears on pages 18 to 19.

The financial statements are prepared on a going concern basis. Nothing has come to the attention of the Board Members to indicate that the Fund will not remain a going concern for the foreseeable future.

The financial statements were prepared under the supervision of Shylet Mapiye Chartered Accountant (Zimbabwe), Registered Public Accountant, Public Accountants and Auditors Board (“PAAB”) registration number 06319.

The financial statements set out on pages 20 to 48, were approved by the Board Members on 26 March 2026 and were signed on their behalf by:

Approval of financial statements:



Board Chairman



Principal Officer



Board Member

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of the Zimbabwe Electricity Industry Pension Fund, "ZEIPF"/ "the Fund", set out on pages 20 to 48, 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;
- Statement of cashflows for the year ended 31 December 2025;
- Membership Statistics as at 31 December 2025;
- Statement of accounting policies applied by the Fund during the year; and
- Related financial statement notes.

In our opinion, the Fund's financial statements are properly drawn up in accordance with IFRS as issued by the International Accounting Standards Board and circular 24 of 2025 issued by Insurance and Pensions Commission (IPEC) and in all material respects, give a true and fair view of the net assets available for benefits for the Fund as at 31 December 2025 and the changes in net assets available for benefits, and its cash flows, for the year then ended.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Those standards require that, in conducting the audit, we comply with ethical requirements. The standards also require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. We are independent of the Fund in terms of the Institute of Chartered Accountants of Zimbabwe ("ICAZ") Code of Professional Conduct, which is consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We consider it that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Outstanding contributions

Without qualifying our opinion, we draw attention to Note 7, which states that the sponsoring employer has outstanding contributions amounting to ZWG1 414 878 208 (2024: ZWG1 071 792 506) due to the Fund as at 31 December 2025, in contravention of the Fund Rules, which require contributions to be paid by the 14th of the following month when they become due to the Fund.

Key audit matters

Key audit matters are those in our judgement, that were of most significance in our audit of the financial statements. Key audit

matters are selected from matters communicated with those charged with governance but are not intended to represent all matters that were discussed with them. There were no key audit matters identified for the audit of the Fund.

Board Members' responsibility for the financial statements

The Fund Board is responsible for the preparation and fair presentation of these financial statements, in accordance with the basis of preparation applicable to retirement funds in Zimbabwe and the provisions of the Pension and Provident Funds Act (Chapter 24:32) of Zimbabwe. This responsibility includes, but is not limited to the following:

- designing, implementing and maintaining internal controls that ensure the 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 Fund's circumstances.

In preparing the financial statements, the Board is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the 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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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 risk 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 control 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 Fund's internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of the Administrators' 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 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 audit 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 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; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the Fund to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The Engagement Partner on the audit resulting in this independent auditors' report is Tariro Mhuka (PAAB number 0423).

AMG Global

AMG
Global Harare
26 March 2026

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended 31 December 2025

	Inflation Adjusted					
	2025			2024		
	Sub Fund A	Sub Fund B	Total	Sub Fund A	Sub Fund B	Total
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
Membership activities						
Contributions						
By members						
(a) Normal	163 046 595	102 071 311	265 117 906	117 100 474	77 737 250	194 837 724
(b) Voluntary	-	-	-	-	-	-
By employers						
(a) Normal	386 305 592	236 362 867	622 668 459	276 328 023	181 386 916	457 714 939
(b) Special towards member accumulations GLA premiums	-	-	-	-	-	-
Interest on contribution arrears	(78 900 463)	58 170 709	(20 729 754)	99 224 394	26 540 802	125 765 196
Total contributions (A)	470 451 724	396 604 887	867 056 611	492 652 891	285 664 968	778 317 859
Total other membership income (B)	-	-	-	-	-	-
Benefits and payments						
Pensions						
(a) to members	18 101 722	-	18 101 722	14 317 232	-	14 317 232
(b) to surviving spouse	5 084 285	-	5 084 285	4 021 324	-	4 021 324
(c) to children and other dependents	3 380 185	-	3 380 185	2 673 498	-	2 673 498
One third commutation Lumpsum awards on death	-	-	-	22 362	-	22 362
Lumpsum awards on withdrawal/registration	10 739 788	11 062 631	21 802 419	4 967 773	2 228 021	7 195 794
Lumpsum awards on retirement and retrenchment	14 444 136	-	14 444 136	8 669 768	-	8 669 768
Total benefits and payments (C)	51 570 116	11 062 631	62 812 747	34 671 957	2 228 021	36 899 978
Net membership activities income/loss (A+B-C)=D	418 701 608	385 542 256	804 243 864	457 980 934	283 436 947	741 417 881

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS (CONTINUED)

Year ended 31 December 2025

	Inflation Adjusted					
	2025			2024		
	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG
NON-MEMBERSHIP ACTIVITIES						
Investment income						
Financial assets						
Interest income	3 759 184	1 705 144	5 464 327	1 557 359	418 464	1 975 823
Dividends	17 755 563	52 787	17 808 350	13 734 449	49 454	13 783 903
Unrealised fair value gains(losses) on financial assets	93 491 545	1 401 246	94 892 791	(32 638 516)	121 268	(32 517 248)
Realised fair value gains(losses) on financial assets	3 042 247	-	3 042 247	36 764	-	36 764
Non-financial assets						
Rental income	47 611 707	-	47 611 707	42 627 566	-	42 627 566
Revaluation gains/(losses) on property	105 553 572	-	105 553 572	(251 682 999)	-	(251 682 999)
Total investment income/(loss) (E)	271 213 818	3 159 177	274 372 995	(226 365 377)	589 186	(225 776 191)
Investment expenses						
Financial assets						
Asset management fees	1 431 398	122 083	1 553 481	1 314 197	10 833	1 325 030
Custodial fees	439 567	74 825	514 392	563 227	6 662	569 889
Non financial assets						
Property management fees	5 335 105	-	5 335 105	9 947 950	-	9 947 950
Property maintenance costs	2 234 180	-	2 234 180	3 727 555	-	3 727 555
Provision for bad debts	61 697	-	61 697	(299 775)	-	(299 775)
Total investment expenses (F)	9 501 947	196 908	9 698 855	15 253 154	17 495	15 270 649
Net investment income/(loss) (E-F)=(G)	261 711 871	2 962 269	264 674 140	(241 618 531)	571 691	(241 046 840)

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS (CONTINUED)

Year ended 31 December 2025

	2025		Inflation Adjusted		2024	
	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG
Other activities						
Other income						
Other interest income	708 693	-	708 693	734 429	-	734 429
Revaluation gains on operating assets	(4 968 209)	-	(4 968 209)	(2 507 390)	-	(2 507 390)
Monetary (loss)/gain	(8 767 633)	(56 309 715)	(65 077 348)	(293 588 845)	(21 293 397)	(314 882 242)
Exchange gains	135 906	-	135 906	32 354 461	98 715 105	131 069 566
Total other income (H)	(12 891 243)	(56 309 715)	(69 200 958)	(263 007 345)	77 421 708	(185 585 637)
Other expenses						
Staff costs	8 416 334	12 112 160	20 528 494	15 065 268	6 043 878	21 109 147
Administration fees	8 580 726	4 663 015	13 243 742	9 447 791	667 192	10 114 983
Actuarial fees	1 106 943	-	1 106 943	1 163 874	118 054	1 281 928
Audit fees	361 376	-	361 376	282 117	36 795	318 912
Board expenses	1 979 471	-	1 979 471	1 878 808	331 350	2 210 157
IPEC levies	2 180 943	-	2 180 943	1 605 060	507 565	2 112 625
Bank charges	2 175 493	834 220	3 009 713	2 184 829	19 567	2 204 396
Total other expenses (I)	24 801 286	17 609 396	42 410 682	31 627 747	7 724 401	39 352 148
Net other income/(loss) (H-I)=(J)	(37 692 529)	(73 919 111)	(111 611 640)	(294 635 092)	69 697 307	(224 937 785)
Change in net assets excluding membership activities (G+J)=(K)	224 019 342	(70 956 842)	153 062 500	(536 253 623)	70 268 998	(465 984 625)
Net increase/(decrease) in net assets during the year (D+K)=(L)	642 720 950	314 585 414	957 306 364	(78 272 689)	353 705 945	275 433 256
Net assets available for benefits at beginning of the year (M)	2 470 344 259	441 989 166	2 912 333 425	2 548 616 948	88 283 221	2 636 900 169
Net assets available for benefits at end of year (L+M)	3 113 065 209	756 574 580	3 869 639 789	2 470 344 259	441 989 166	2 912 333 425

Head Finance

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Principal Officer

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26 March 2026

Board Chairman

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STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS (CONTINUED)

Year ended 31 December 2025

	2025		HISTORICAL			
	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG
Membership activities						
Contributions						
By members						
(a) Normal	160 051 044	100 616 748	260 667 792	71 364 157	45 926 365	117 290 522
(b) Voluntary	-	-	-	-	-	-
By employers						
(a) Normal	379 245 929	232 952 872	612 198 801	168 494 883	107 161 518	275 656 401
(b) Special towards member accumulations GLA premiums	-	-	-	-	-	-
Interest on contribution arrears	10 929 117	57 521 094	68 450 212	426 397 806	15 680 032	442 077 838
Total contributions (A)	550 226 090	391 090 714	941 316 805	666 256 846	168 767 915	835 024 761
Total other membership income (B)	-	-	-	-	-	-
Benefits and payments						
Pensions						
(a) to members	17 833 786	-	17 833 786	8 787 661	-	8 787 661
(b) to surviving spouse	5 009 029	-	5 009 029	2 468 217	-	2 486 217
(c) to children and other dependents	3 330 153	-	3 330 153	1 640 945	-	1 640 945
One third commutation						
Lumpsum awards on death	-	-	-	11 689	-	11 689
Lumpsum awards on withdrawal/registration	10 623 322	10 857 208	21 480 530	3 206 770	1 316 292	4 523 062
Lumpsum awards on retirement and retrenchment	14 262 844	-	14 262 844	5 484 873	-	5 484 873
Total benefits and payments (C)	51 059 134	10 857 208	61 916 342	21 600 155	1 316 292	22 916 447
Net membership activities income/loss (A+B-C)=D	499 166 956	380 233 507	879 400 463	644 656 691	167 451 623	812 108 314

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS (CONTINUED)

Year ended 31 December 2025

	Historical					
	2025			2024		
	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG
NON-MEMBERSHIP ACTIVITIES						
Investment income						
Financial assets						
Interest income	3 711 376	1 693 731	5 405 106	969 053	247 224	1 216 277
Dividends	17 542 824	51 895	17 594 718	9 054 817	29 217	9 084 034
Unrealised fair value gains(losses) on financial assets	146 012 692	1 644 355	147 657 047	125 139 074	28 343	125 167 417
Realised fair value gains(losses) on financial assets	5 254 581	-	5 254 581	48 721	-	48 721
Non-financial assets						
Rental income	48 321 553	-	48 321 553	26 597 691	-	26 597 691
Revaluation gains/(losses) on property	282 398 655	-	282 398 655	332 808 376	-	332 808 376
Total investment income/(loss) (E)	503 241 681	3 389 981	506 631 662	494 617 732	304 784	494 922 516
Investment expenses						
Financial assets						
Asset management fees	1 411 151	122 083	1 531 364	801 850	6 400	808 250
Custodial fees	433 349	74 825	507 027	343 650	3 936	347 586
Non-financial assets						
Property management fees	5 245 260	-	5 245 260	5 966 782	-	5 966 782
Property maintenance costs	2 201 979	-	2 201 979	2 493 651	-	2 493 651
Provision for bad debts	68 273	-	68 273	(35 945)	-	(35 945)
Total investment expenses (F)	9 360 011	193 892	9 553 903	9 569 988	10 336	9 580 324
Net investment income/(loss) (E-F)=(G)	493 881 670	3 196 089	497 077 759	485 047 744	294 448	485 342 192

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS (CONTINUED)

Year ended 31 December 2025

	Historical					
	2025			2024		
	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG
Other activities						
Other income						
Other interest income	700 004	-	700 004	418 150	-	418 150
Revaluation gains on operating assets	(3 914 899)	-	(3 914 899)	1 483 142	-	1 483 142
Monetary (loss)/gain	-	-	-	(315 589 332)	74 430 883	(241 158 449)
Exchange gains	80 075	7 816 460	7 896 535	18 265 660	58 319 865	76 585 525
Total other income (H)	(295 422 380)	132 750 748	(162 671 632)			
Other expenses						
Staff costs	8 172 950	12 038 217	20 211 167	9 345 283	3 570 661	12 915 944
Administration fees	8 430 944	6 019 109	14 450 053	5 491 629	394 170	5 885 799
Actuarial fees	1 092 511	-	1 092 511	622 687	69 745	692 432
Audit fees	353 574	-	353 574	155 755	21 738	177 493
Board expenses	1 950 627	-	1 950 627	1 043 803	195 758	1 239 561
IPEC levies	2 145 475	-	2 145 475	1 058 319	299 864	1 358 183
Bank charges	2 146 859	830 692	2 977 551	1 305 444	11 560	1 317 004
Total other expenses (I)	24 292 940	18 888 018	43 180 958	19 022 920	4 563 496	23 586 416
Net other income/(loss) (H-I)=(J)	(27 427 759)	(11 071 558)	(38 499 317)	(314 445 300)	128 187 252	(186 258 048)
Change in net assets excluding membership activities (G+J)=(K)	466 453 911	(7 875 469)	458 578 442	170 602 444	128 481 700	299 084 144
Net increase/(decrease) in net assets during the year (D+K)=(L)	965 620 867	372 358 037	1 337 978 904	815 259 135	295 933 323	1 111 192 458
Net assets available for benefits at beginning of the year (M)	2 147 444 341	384 216 544	2 531 660 885	1 332 185 206	88 283 221	1 420 468 427
Net assets available for benefits at end of year (L+M)	3 113 065 208	756 574 581	3 869 639 790	2 147 444 341	384 216 544	2 531 660 885

Head Finance



Principal Officer



26 March 2026

Board Chairman



STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

As at 31 December 2025

Note	Inflation Adjusted					
	2025			2024		
	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG
Assets						
A Operating assets						
	5 815 522	-	5 815 522	6 829 191	-	6 829 191
	220 055	-	220 055	217 336	-	217 336
	986 774	-	986 774	1 014 449	-	1 014 449
Total operating assets (N)	7 022 351	-	7 022 351	8 060 976	-	8 060 976
B Non-current investments						
	1 709 569 509	81 697 311	1 791 266 820	1 326 118 855	14 814 151	1 340 933 006
	Equities					
	377 314 368	5 921 669	383 236 037	275 417 336	1 845 566	277 262 902
	136 516 284	-	136 516 284	143 192 537	-	143 192 537
	28 880 948	-	28 880 948	14 256 384	-	14 256 384
	-	17 768 204	17 768 204	-	5 341 983	5 341 983
Total non-current investment assets (O)	2 252 281 109	105 387 184	2 357 668 293	1 758 985 112	22 001 700	1 780 986 812
C Current investment assets						
	1 836 328	-	1 836 328	4 195 266	-	4 195 266
	1 082 900	-	1 082 900	18 682	-	18 682
	6 235 368	1 500 102	7 735 470	-	15 966 594	15 966 594
	33 131 496	31 661 961	64 793 457	11 187 500	2 856 299	14 043 799
Total current investment assets (P)	42 286 092	33 162 063	75 448 155	15 401 448	18 822 893	34 224 341
D Sundry debtors						
	802 234 510	612 643 698	1 414 878 208	670 928 479	400 864 027	1 071 792 506
	1 145 868	-	1 145 868	495 188	-	495 188
	63 763	1 593 247	1 657 010	142 117	300 546	442 663
	Other (specify)					
	12 991 660	4 202 773	17 194 433	11 688 099	-	11 688 099
	9 876 453	-	9 876 453	12 015 874	-	12 015 874
Total sundry debtors (Q)	826 312 254	618 439 718	1 444 751 972	695 269 757	401 164 573	1 096 434 330
Total assets (N+O+P+Q) =R	3 127 901 806	756 988 965	3 884 890 771	2 477 717 294	441 989 166	2 919 706 459
E Non actuarial liabilities						
	1 417 623	414 385	1 832 008	1 220 133	-	1 220 133
	1 106 068	-	1 106 068	40 842	-	40 842
	Provisions					
	12 200 902	-	12 200 902	6 061 752	-	6 061 752
	112 004	-	112 004	50 307	-	50 307
Total non-actuarial liabilities (S)	14 836 597	414 385	15 250 982	7 373 034	-	7 373 034
Net assets available for benefits at the end of the year (R-S) =T	3 113 065 209	756 574 580	3 869 639 789	2 470 344 259	441 989 166	2 912 333 425

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS (CONTINUED)

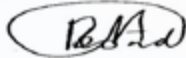
As at 31 December 2025

	Note	Inflation Adjusted					
		2025			2024		
		Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG
F Actuarial liabilities							
Members' liabilities							
Active members	2 907 237 895	726 046 754	3 633 284 649	1 778 101 157	418 166 716	2 196 267 873	
Pensioners	93 893 037	-	93 893 037	83 016 719	-	83 016 719	
Deferred pensioners	27 743 757	-	27 743 757	25 329 715	-	25 329 715	
Unclaimed benefits	-	-	-	1 466 932	-	1 466 932	
Reserves							
Stabilisation reserve	23 157 539	26 978 596	50 116 135	7 412 547	23 383 259	30 795 806	
Reserves	54 544 810	-	54 544 810	49 798 751	-	49 798 751	
Total actuarial liabilities (U)	3 106 557 038	753 025 350	3 859 582 388	1 945 125 821	441 549 976	2 386 675 797	
Surplus/deficit (T-U)	6 508 170	3 549 231	10 057 402	525 218 438	439 191	525 657 629	

Head Finance



Principal Officer



26 March 2026

Board Chairman



STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS (CONTINUED)

As at 31 December 2025

Note	Historical					
	2025			2024		
	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG
Assets						
A Operating assets						
Motor vehicles	5 815 522	-	5 815 522	5 936 544	-	5 936 544
Furniture and equipment	220 055	-	220 055	188 928	-	188 928
Computer systems and hardware	986 774	-	986 774	881 850	-	881 850
Total operating assets (N)	7 022 351	-	7 022 351	7 007 322	-	7 007 322
B Non-current investments						
Investment property	1 709 569 509	81 697 311	1 791 266 820	1 152 781 204	12 877 786	1 165 658 990
Equities						
quoted *	377 314 368	5 921 669	383 236 037	239 417 400	1 604 331	241 021 731
unquoted	136 516 284	-	136 516 284	124 475 770	-	124 475 770
Loans and mortgages	28 880 948	-	28 880 948	12 392 925	-	12 392 925
Long term deposits	-	17 768 204	17 768 204	-	4 643 730	4 643 730
Total non-current investment assets (O)	2 252 281 109	105 387 184	2 357 668 292	1 529 067 299	19 125 847	1 548 193 146
C Current investment assets						
Prescribed assets	1 836 328	-	1 836 328	3 646 901	-	3 646 901
Staff loans and mortgages	1 082 900	-	1 082 900	16 240	-	16 240
Money market investments	6 235 368	1 500 102	7 735 470	-	13 879 593	13 879 593
Cash on bank and at bank	33 131 496	31 661 961	64 793 457	9 725 176	2 482 951	12 208 127
Total current investment assets (P)	42 286 092	33 162 063	75 448 155	13 388 317	16 362 544	29 750 861
D Sundry debtors						
Contribution arrears	8.1	802 234 510	612 643 698	1 414 878 208	583 231 086	348 466 892
Rental arrears	14	1 145 868	-	1 145 868	430 462	-
Interest receivable		63 763	1 593 247	1 657 010	123 541	261 261
Other (specify)						
Value Added Tax		12 991 660	4 202 773	17 194 433	10 160 342	-
Other debtors		9 876 453	-	9 876 453	10 445 273	-
Total sundry debtors (Q)	826 312 254	618 439 718	1 444 751 972	604 390 704	348 728 153	953 118 857
Total assets (N+O+P+Q) =R	3 127 901 806	756 988 964	3 884 890 770	2 153 853 642	384 216 544	2 538 070 186
E Non actuarial liabilities						
Arrear pension benefits	1 417 623	414 383	1 832 007	1 060 650	-	1 060 650
Tenants deposits	1 106 068	-	1 106 068	35 504	-	35 504
Provisions						
Other payables	12 200 903	-	12 200 903	5 269 417	-	5 269 417
Provision for bad debts	112 004	-	112 004	43 730	-	43 730
Total non-actuarial liabilities (S)	14 836 598	414 383	15 250 981	6 409 301	-	6 409 301
Net assets available for benefits at the end of the year (R-S) =T	3 113 065 208	756 574 581	3 869 639 789	2 147 444 341	384 216 544	2 531 660 885

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS (CONTINUED)

As at 31 December 2025

	Note	Historical					
		2025			2024		
		Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG
F Actuarial liabilities							
Members' liabilities							
Active members	2 907 237 895	726 046 754	3 633 284 649	1 545 684 676	363 507 938	1 909 192 614	
Pensioners	93 893 037	-	93 893 037	72 165 563	-	72 165 563	
Deferred pensioners	27 743 757	-	27 743 757	22 018 855	-	22 018 855	
Unclaimed benefits	-	-	-	1 275 189	-	1 275 189	
Reserves							
Stabilisation reserve	23 157 539	26 978 596	50 116 135	6 443 649	20 326 822	26 770 471	
Reserves	54 544 810	-	54 544 810	43 289 532	-	43 289 532	
Total actuarial liabilities (U)	3 106 557 038	753 025 350	3 859 582 388	1 690 877 464	383 834 760	2 074 712 224	
Surplus/deficit (T-U)	6 508 170	3 549 231	10 057 402	456 566 877	381 784	456 948 661	

Head Finance



Principal Officer



26 March 2026

Board Chairman



STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Inflation Adjusted	
	2025 ZWG	2024 ZWG
Net cash flows from membership activities		
Cash received from contributions	462 929 709	508 430 401
Benefits paid	(62 812 747)	(36 899 979)
Cash transferred from other funds Cash transferred to other funds	-	-
Net cash flows from membership activities	400 116 962	471 530 422
Cash flows collected from other operating activities (V)		
Other operating income	708 693	734 429
Cash paid to suppliers	(1 106 943)	(1 281 928)
Actuarial fees		
Administration fees	(13 243 741)	(10 114 983)
Audit fees	(361 376)	(318 912)
Levies and subscriptions paid Cash paid to employees	(2 180 943)	(2 112 625)
Staff expenses	(20 528 494)	(21 109 147)
Board expenses	(1 979 471)	(2 210 157)
Monetary loss	-	(300 068 091)
Other operating expenses Bank charges	(3 009 713)	(2 204 396)
Net cashflows from other operating activities (W)	(41 701 989)	(338 068 091)
Cashflow from investing activities		
Purchase of operating assets	(3 961 834)	(316 851)
Purchase of investment property	(346 716 607)	(236 756 069)
Purchase of financial assets	(19 472 160)	(20 531 219)
Proceeds from sale of financial assets	20 785 173	137 657
Property expenses paid	(7 569 285)	(8 460 433)
Rent received	49 965 211	42 627 566
Interest received	5 464 327	1 975 823
Dividends received	17 808 350	13 783 903
Value added tax	(30 267 649)	-
Investment management fees paid	(2 067 872)	(1 894 920)
Net cash inflows/(outflows) from investing activities (X)	(316 032 345)	(209 434 542)
Net cash inflow/(outflow) for the year (V+W+X) =Y	(42 382 628)	(76 589 929)
Cash and cash equivalents at the beginning of the year	30 010 393	49 908 680
Exchange gains /(losses) on cash and cash equivalents	135 906	56 691 642
Cash and cash equivalents at the end of the year	72 528 926	30 010 393

STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Historical	
	2025 ZWG	2024 ZWG
Net cash flows from membership activities		
Cash received from contributions	458 852 133	346 751 802
Benefits paid	(61 916 342)	(22 916 447)
Cash transferred from other funds Cash transferred to other funds	-	-
Net cash flows from membership activities	396 935 791	323 835 355
Cash flows collected from other operating activities (V)		
Other operating income	700 004	418 150
Cash paid to suppliers	(1 092 511)	(692 431)
Actuarial fees		
Administration fees	(14 450 053)	(5 885 798)
Audit fees	(353 574)	(177 494)
Levies and subscriptions paid Cash paid to employees	(2 145 475)	(1 358 183)
Staff expenses	(20 211 167)	(12 915 944)
Board expenses	(1 950 627)	(1 239 561)
Monetary loss	-	(241 158 449)
Other operating expenses Bank charges	(2 977 551)	(1 317 004)
Net cashflows from other operating activities (W)	(42 480 953)	(264 326 714)
Cashflow from investing activities		
Purchase of operating assets	(3 962 177)	(119 333)
Purchase of investment property	(343 209 175)	(97 329 497)
Purchase of financial assets	(19 345 257)	(25 131 242)
Proceeds from sale of financial assets	20 678 320	197 634
Property expenses paid	(7 447 239)	(8 460 433)
Rent received	46 148 230	26 727 518
Interest received	5 405 106	1 216 278
Dividends received	17 594 718	9 084 034
Value added tax	(29 734 302)	-
Investment management fees paid	(2 038 391)	(1 155 836)
Net cash inflows/(outflows) from investing activities (X)	(315 910 166)	(94 970 877)
Net cash inflow/(outflow) for the year (V+W+X) =Y	(38 544 672)	(35 372 236)
Cash and cash equivalents at the beginning of the year	26 087 720	13 889 147
Exchange gains /(losses) on cash and cash equivalents	7 896 535	47 570 809
Cash and cash equivalents at the end of the year	72 528 927	26 087 720

MEMBERSHIP STATISTICS

Year ended 31 December 2025

	In Zimbabwe		Outside Zimbabwe	
	2025	2024	2025	2024
1 Number of principal members at the beginning of the year	8 010	8 010	-	-
Number of beneficiaries at the beginning of the year	666	645	-	-
TOTAL	8 676	8 655	-	-
2 Principal membership as at the end of the year				
(a) new entrants for the year	138	164	-	-
(b) active members	6 691	6 700	-	-
(c) deferred pensioners	381	352	-	-
(d) pensioners	780	761	-	-
(e) suspended pensioners	30	33	-	-
(f) members with unclaimed benefits	-	-	-	-
(g) transfer in	-	-	-	-
Total membership as at the end of the year	8 020	8 010	-	-
3 Beneficiaries as at the end of the year				
(a) Pensioners: Surviving spouse	394	314	-	-
Children	226	201	-	-
Other dependents	-	-	-	-
(b) Suspended pensioners:				
Surviving spouse	61	44	-	-
Children	35	107	-	-
Other dependents	-	-	-	-
Total beneficiaries as at the end of the year	716	666	-	-
4 Exits as at the end of the year				
(a) Transfers out	-	130	-	-
(b) Full commutations	64	8	-	-
(c) Death	64	26	-	-
(d) Other	-	-	-	-
	128	164	-	-

Head Finance



Principal Officer



26 March 2026

Board Chairman



STATEMENT OF ACCOUNTING POLICIES

For the year ended 31 December 2025

A REGISTRATION AND ACTIVITIES

The Zimbabwe Electricity Industry Pension (“the Fund”), is registered in terms of the Pensions and Provident Funds Act (Chapter 24:32), as a self-administered defined contribution Fund, set up for the purpose of providing pension benefits to its members on retirement or the members' beneficiaries in the event of death. The Fund was established on the 4th of February 2004 in Zimbabwe and caters for members employed by Companies operating in the Electricity Industry in Zimbabwe. The employer and employees contribute into the fund at rates of 21.25% and 6% of basic pay respectively. However, employees have also option to contribute at 8% and 10%.

During the year there were no changes to the Fund Rules.

STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with:

- The preparation applicable to retirement funds in Zimbabwe and the provisions of the Pensions and Provident Funds Act (Chapter 24:32) of Zimbabwe.
- Circular 24 of 2025 (Guideline on Revised Reporting Requirements for Pension Funds), issued by the Insurance and Pensions Commission on 10 September 2025.
- International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards).

Inflation adjusted

The restatement has been calculated by means of conversion factors derived from month-on-month consumer price index (CPI) prepared by the Reserve Bank of Zimbabwe. The conversion factors used to restate the financial statements as at 31 December 2025 are as follows;

Month	2025		2024	
	CPI Index	Factor	CPI Index	Factor
January	183.76	1.04	120.67	1.59
February	184.60	1.04	127.19	1.50
March	184.50	1.04	133.42	1.43
April	185.68	1.03	100.00	1.91
May	187.42	1.02	97.58	1.96
June	187.94	1.02	97.62	1.96
July	190.89	1.00	97.50	1.96
August	191.65	1.00	98.90	1.93
September	191.18	1.00	104.62	1.83
October	190.50	1.00	143.59	1.33
November	190.88	1.00	160.41	1.19
December	191.31	1.00	166.30	1.15

The main procedures applied in the above-mentioned restatement of transactions and balances are as follows:

All corresponding figures as of, and for the period ended 31 December 2025 are restated by applying the change in the index for 31 December 2024 and 31 December 2025. All assets and liabilities for the current year are not restated as they are already stated at fair value at the balance sheet date. Income statement transactions are restated by applying the monthly index during the year. Gains and losses arising from the net monetary asset and liability positions are included in the income statement.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

For the year ended 31 December 2025

New or revised standards or interpretations

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Fund.

The Board Members anticipate that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Fund's financial statements

ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

B Functional currency

The Fund adopted the Zimbabwean Gold (ZWG) as its functional currency with effect from 5 April 2024.

C Valuation of fund assets

Investment assets are valued at fair value except debt instruments held to maturity which are to be held at amortised cost. Marketable securities / financial instruments, bid price at the end of the reporting period shall be the value recognized.

Property is valued using the functional currency applicable to the Fund or Sub Fund, that is for Sub Fund A valuation is done in ZWG for local properties and for Sub Fund B and purely USD pension funds, valuation is done in USD.

D Valuation of actuarial liabilities

Actuarial liabilities are valued using the current period's actuarial valuation report or financial review report.

E Income and expenses

The accrual method should be used when accounting for income and expenses.

F 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 date as the Minister may specify by notice in the Gazette. As no such notice has been gazetted in respect of the year covered by these financial statements, no provision for taxation has been made.

G Impairment of assets

The Pension Fund assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the pension fund estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

For the year ended 31 December 2025

The Fund assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

H Revenue

The Fund recognises revenue from pension contributions resulting from employees' employment contracts.

Revenue is measured based on the contributions specified in employment contract with an employee and excludes amounts collected on behalf of third parties. The pension fund recognises revenue when employment services are provided to employees.

Other sources of income that the Pension Fund has are:

- dividend income
- interest income
- profit on disposal of financial assets

I Actuarial valuation

There is no requirement to carry out an actuarial valuation of the Fund, as it provides benefits on a defined contribution basis, though an annual financial review is carried out by the actuaries.

J. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and money market deposits with financial institutions which are subject to an insignificant risk of change in value.

K. Foreign currency

Transactions entered into by Fund in a currency other than the currency of the primary economic environment in which it operate ('functional currency') are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

L. Financial instruments

Recognition and initial measurement

Financial assets and liabilities are initially recognised when the Fund becomes a party to a contractual provision of the instrument. A financial asset (unless if it's a trade receivable) or financial liability is initially measured at fair value plus or minus transaction costs directly attributable to its acquisition or issue. Trade receivables are initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as subsequently measured at amortised cost or fair value through profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are measured at amortised cost or fair value through profit or loss (FVTPL). A financial liability is measured at FVTPL if it is classified as held for trading.

RELATED FINANCIAL STATEMENT NOTES

31 December 2025

	Motor Vehicle ZWG	Furniture and Fittings ZWG	Computers ZWG	Total ZWG
1 OPERATING ASSETS				
1.1 Inflation adjusted				
Net carrying amount as at 1 January 2024	8 783 011	251 779	1 216 725	10 251 515
Gross carrying amount-cost	3 634 220	145 647	270 315	4 050 182
Revaluation	5 148 791	106 132	946 410	6 201 333
Additions	-	88 554	228 297	316 851
Revaluation	(1 953 820)	(122 997)	(430 573)	(2 507 390)
Revalued amount 31 December 2024	6 829 191	217 336	1 014 449	8 060 976
Gross carrying amount – cost	2 185 279	140 826	299 818	2 625 923
Revaluation	4 643 912	76 510	714 631	5 435 053
Additions	3 668 886	-	260 699	3 929 584
Revaluation	(4 682 555)	2 719	(288 374)	(4 968 210)
Revalued amount 31 December 2025	5 815 522	220 055	986 774	7 022 351
Gross carrying amount – cost	5 575 093	153 546	547 353	6 275 992
Revaluation	240 429	66 509	439 421	746 359
1.2 Historical				
Net carrying amount as at 1 January 2024	4 590 960	131 607	635 993	5 358 560
Gross carrying amount-cost	1 899 640	76 131	141 296	2 117 067
Revaluation	2 691 320	55 476	494 697	3 241 493
Additions	-	46 288	119 333	165 621
Revaluation	1 345 584	11 033	126 524	1 483 141
Revalued amount 31 December 2024	5 936 544	188 928	881 850	7 007 322
Gross carrying amount – cost	1 899 640	122 419	260 629	2 282 688
Revaluation	4 036 904	66 509	621 221	4 724 634
Additions	3 675 453	-	286 724	3 962 177
Revaluation	(3 796 475)	31 127	(181 800)	(3 947 149)
Revalued amount 31 December 2025	5 815 522	220 055	986 774	7 022 351
Gross carrying amount – cost	5 575 093	122 419	547 353	6 244 865
Revaluation	240 429	97 636	439 421	777 486
	Inflation Adjusted		Historical	
2 INVESTMENT PROPERTY	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
2.1 Reconciliation				
Opening balance	1 340 933 006	1 407 132 862	1 165 658 990	735 521 116
Additions	344 780 242	185 483 143	343 209 174	97 329 498
Fair value adjustment	105 553 572	(251 682 999)	282 398 656	332 808 376
Closing balance	1 791 266 820	1 340 933 006	1 791 266 820	1 165 658 990
2.2 Analysis				
Completed property	1 390 310 000	1 275 006 764	1 390 310 000	1 108 350 000
Work in progress	400 956 820	65 926 242	400 956 820	57 308 990
Closing balances	1 791 266 820	1 340 933 006	1 791 266 820	1 165 658 990

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2025

2.3 There are no current obligations to purchase, construct or develop the investment properties.

The fair value of the Fund's investment property as of 31 December 2025 has been arrived at on the basis of a valuation carried out at that date by Integrated Properties, independent valuers not concerned with the Fund. The valuation conforms to International Valuation Standards. The fair value was determined based on the market approach that reflects recent transaction prices for similar properties.

	Inflation Adjusted		Historical	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
2.4 List of properties				
Parklands Shopping Mall	42 000 000	45 439 407	42 000 000	39 500 000
81 Gatooma	7 850 000	7 132 261	7 850 000	6 200 000
78 Beatrice Township	7 500 000	7 695 940	7 500 000	6 690 000
Arlington Warehouse	144 000 000	154 954 131	144 000 000	134 700 000
Gweru Megawatt Complex	388 730 000	387 097 736	388 730 000	336 500 000
Victoria Falls Stands	193 200 000	82 251 079	193 200 000	71 500 000
Bulawayo Stand	15 300 000	5 981 897	15 300 000	5 200 000
1 Argil Drive, Highlands	9 900 000	9 087 881	9 900 000	7 900 000
31 Argil Drive, Highlands	19 500 000	17 255 471	19 500 000	15 000 000
35 Five Avenue Hospital	79 600 000	81 675 897	79 600 000	71 000 000
9 Tiptol Mandara	21 900 000	22 777 222	21 900 000	19 800 000
Marondera Shopping Complex	270 000 000	265 734 256	270 000 000	231 000 000
Avonlea Stands	39 030 000	35 661 308	39 030 000	31 000 000
Stand 26 Marondera	3 600 000	3 497 109	3 600 000	3 040 000
Marondera Medical Centre	90 000 000	91 361 968	90 000 000	79 420 000
Hopelyn Stands	58 200 000	57 403 201	58 200 000	49 900 000
Lochinvar Warehouse (WIP)	95 481 929	12 722 142	95 481 929	11 059 224
Victoria Falls Hotel (WIP)	305 474 891	53 204 100	305 474 891	46 249 766
	1 791 266 820	1 340 933 006	1 791 266 820	1 165 658 990
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
3 QUOTED SHARES				
3.1 Reconciliation				
Opening balance	277 262 902	284 526 602	241 021 732	148 724 637
Additions	22 147 017	22 414 822	21 841 512	13 929 608
Disposal	(17 742 926)	(100 893)	(15 243 739)	(39 157)
Fair value gains / (losses)	101 569 044	(29 577 629)	135 616 532	78 406 644
Closing balances	383 236 037	277 262 902	383 236 037	241 021 732
3.2 Analysis				
Under Datvest Asset Managers				
Quoted shares	379 251 300	277 262 902	179 251 299	241 021 732
Dividends	17 808 350	13 783 903	17 594 718	9 084 034
Management fees	1 533 269	1 325 030	1 511 441	808 250
Under IMARA Asset Managers				
Quoted shares	3 984 737	-	3 984 738	-
Management fees	20 212	-	29 924	-

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2025

3.3 Exposure levels	2025		2024	
	Equity exposure %	Fund exposure %	Equity exposure%	Fund exposure %
Delta	30.8%	3.0%	36.5%	4.2%
Econet	9.6%	1.0%	5.8%	0.7%
Innscor	12.4%	1.2%	9.4%	1.0%
Padenga	9.5%	0.9%	8.2%	0.9%
Simbisa	10.4%	1.0%	7.6%	0.9%

4 UNQUOTED SHARES	Inflation Adjusted		Historical	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
4.1 Reconciliation				
Opening balances	143 192 537	125 983 977	124 475 770	65 852 968
Additions	-	20 269 447	-	11 201 634
Fair value adjustments	(6 676 253)	(3 060 887)	12 040 514	47 421 168
Closing balances	136 516 284	143 192 537	136 516 284	124 475 770

5 US\$ DENOMINATED TRANSACTIONS AND BALANCES	2025 US\$	2024 US\$
5.1 Revenue		
Rent	1 217 199	1 241 124
Dividends	656 469	406 261
Interest	-	1 241
	1 873 668	1 648 626
5.2 Expenditure		
Benefits payments	698 213	466 959
Administration expenses	202 522	635 221
Bank charges	980	7 962
Property expenses	2 682	14 922
Investment expenses	25 949	-
	930 346	1 125 064

The above amounts are included in the revenue reported for the year 2025 and 2024 in the statement of changes in net assets available for benefits under Sub Fund A.

5.3 Assets	2025	2024
Quoted shares	6 938 974	4 150 528
Operating assets	18 601	7 000
Investment property	923 959	923 959
Cash at bank	124 282	128 874
Money markets	240 000	-
Rent receivable	12 931	340
	8 258 747	5 210 701

The above assets are reported as part of the assets in the statement of financial position for Sub Fund A.

6. BONDS

This is a fixed term instrument with IDBZ, earning interest at 8% per annum, with half-yearly repayments and matures on 31 January 2026.

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2025

7 PRESCRIBED ASSET INVESTMENTS

7.1 Analysis

Type of instrument	Name of issue issuer	Date of issue	Date of purchase	Maturity date	Purchase price	Face value of investment	Interest received	Dividend received
Non-current assets								
35 Avenue Specialist Hospital	ZEIPF	22-10-2020	22-10-2020	22-01-2033	111 941	79 600 000	-	-
9 Tiptol Psychiatric and Rehabilitation Centre	ZEIPF	22-10-2020	22-10-2020	22-07-2030	19 183	21 900 000	-	-
Mangwana Opportunities Fund	Mangwana	07-04-2020	07-04-2020	07-04-2030	5 440 683	136 516 284	-	-
IDBZ VAKA Bond	IDBZ	31-01-2014	31-01-2014	31-1-2026	920 470	1 836 328	-	-
Victoria Falls Hotel	ZEIPF	2024	2024	30-06-2049	109 944 891	498 674 890	-	-
Fixed Instrument	TDB	01-03-2024	01-014-2024	31-03-2026	2 466 558	17 768 204	-	-
Marondera Health Care Centre	ZEIPF	03-04-2023	03-04-2023	31-03-2038	49 921 869	90 000 000	-	-
Total					168 825 595	846 295 706	-	-

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2025

7.2 Compliance ratio

The provisions of Section 18(2a) of the Pension and Provident Fund Act (Chapter 24:32) state that any registered Pension Fund shall hold not less than 35% of the aggregate cost value of all their investments in Zimbabwe in local registered securities. However, in the National Budget presented on 22 November 2018 and circular 3 of 2019 of the Insurance and Pensions Commission, the Government reviewed the prescribed asset ratio to 20% of the market values of assets, and thus was effective beginning 1 January 2019.

31 December 2025 the market values of assets were as follows:

7.2 Compliance ratio

Prescribed assets	846 295 706
Total assets less outstanding contributions	2 470 012 562
RATIO	34.26%

The Prescribed asset ratio based on market values as at 31 December 2025 was 34.26% (2024: 21.74%). The Pension Fund has adhered to this statutory requirement as at 31 December 2025.

8 CONTRIBUTION ARREARS

8.1 Consolidated contribution arrears aging

Sponsoring Employer	Availability of certified repayment agreement (Y/N)	Availability of				Total
		30 days and below	Between 31 days and 90 days	Between 91 days and 180 days	181 days and above	
ZPC	NO	14 737 399	36 724 375	35 963 475	257 116 892	344 542 141
ZETDC	NO	45 502 862	98 271 905	116 347 167	447 568 761	707 690 695
ZESA Holdings	NO	8 236 528	17 866 024	22 425 713	116 989 151	165 517 416
ZESA Executive	NO	4 566 174	9 407 896	11 176 983	61 035 072	86 186 125
ZENT	NO	3 484 454	8 448 546	8 310 320	70 446 802	90 690 122
REA	NO	7 020 254	7 956 519	1 257 005	-	16 233 778
Powertel	NO	1 114 492	-	-	-	1 114 492
NEWUZ/ZTEA	NO	75 135	211 287	204 215	1 451 618	1 942 255
NEC	NO	98 450	222 024	108 380	108 783	537 637
HESCO	NO	55 025	147 891	82 876	49 058	334 850
ESWU	NO	14 592	31 222	23 619	19 264	88 697
TOTAL		84 905 365	179 287 689	195 899 753	954 785 401	1 414 878 208

8.2 USD Contribution arrears aging

Sponsoring Employer	Availability of certified repayment agreement (Y/N)	Availability of				Total
		30 days and below	Between 31 days and 90 days	Between 91 days and 180 days	181 days and above	
		USD	USD	USD	USD	USD
ZPC	NO	190 577	547 001	540 783	3 681 827	4 960 188
ZETDC	NO	676 091	1 454 849	2 252 349	9 045 803	13 429 092
ZESA Holdings	NO	122 423	265 566	364 361	1 896 958	2 649 308
ZESA Executive	NO	65 773	134 103	196 393	723 669	1 119 938
ZENT	NO	43 309	126 314	128 284	709 813	1 007 720
REF	NO	167 245	124 695	48 382	-	340 322
Powertel	NO	24 027	-	-	-	24 027
NEWUZ/ZTEA	NO	1 130	3 178	3 072	19 722	27 102
NEC	NO	1 511	4 209	4 171	4 187	14 078
HESCO	NO	748	2 146	2 017	1 888	6 799
ESWU	NO	217	475	716	741	2 149
TOTAL		1 293 051	2 662 536	3 540 528	16 084 608	23 580 723

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2025

9. SUB FUND A INCOME STATEMENT SPLIT

	HISTORICAL					
	2025			2024		
	Sub Account 1 ZWG	Sub Account 2 ZWG	Total ZWG	Sub Account 1 ZWG	Sub Account 2 ZWG	Total ZWG
Membership activities						
Contributions						
By members						
(a) Normal	-	160 051 044	160 061 044	-	56 057 495	56 057 495
By employers						
(a) Normal	-	379 245 929	379 245 929	-	134 678 426	134 678 426
Interest on contribution arrears	-	10 929 117	10 929 117	-	426 397 806	426 397 806
Total contributions (A)	-	550 226 090	550 226 090	-	618 033 727	618 033 727
Total other membership income (B)	-	-	-	-	-	-
Benefits and payments						
Pensions						
(a) to members	17 833 786	-	17 833 786	7 558 037	-	7 558 037
(b) to surviving spouse	5 009 029	-	5 009 029	2 111 804	-	2 111 804
(c) to children and other dependants	3 330 153	-	3 330 153	1 444 918	-	1 444 918
One third commutation						
Lumpsum awards on death	-	-	-	-	-	-
Lumpsum awards on withdrawal/registration	4 012 130	6 611 192	10 623 322	-	2 384 038	2 384 038
Lumpsum awards on retirement and retrenchment	-	14 262 844	14 262 844	1 725 347	3 088 152	4 813 499
Total benefits and payments (C)	30 185 098	20 874 036	51 059 134	12 840 106	5 472 190	18 312 296
Net membership activities income/loss (A+B-C)=D	(30 185 098)	529 352 054	499 166 956	(12 840 106)	612 561 537	599 721 431

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2025

	2025			HISTORICAL		
	Sub Account 1 ZWG	Sub Account 2 ZWG	Total ZWG	Sub Account 1 ZWG	Sub Account 2 ZWG	Total ZWG
NON-MEMBERSHIP ACTIVITIES						
Investment income						
Financial assets						
Interest income	599 803	3 111 573	3 711 376	118 618	615 326	733 944
Dividends	12 663 148	4 879 676	17 542 824	6 325 963	2 437 676	8 763 639
Unrealised fair value gains / (losses) on financial assets	88 487 523	57 525 169	146 012 692	67 626 762	129 329 805	196 956 567
Realised fair value gains / (losses) on financial assets	3 783 298	1 471 283	5 254 581	8 472	3 295	11 767
Non-financial assets						
Rental income	40 590 105	7 731 449	48 321 553	18 047 919	3 437 699	21 485 618
Revaluation gains/(losses) on property	127 079 395	155 319 260	282 398 655	468 835 000	167 230 844	636 065 844
Total investment income/(loss) (E)	273 203 272	230 038 409	503 241 681	560 962 734	303 054 645	864 017 379
Investment expenses						
Financial assets						
Asset management fees	1 185 366	225 784	1 411 151	206 570	505 788	712 358
Custodial fees	364 013	69 336	433 349	88 538	216 767	305 305
Non financial assets						
Property management fees	4 406 018	839 242	5 245 260	3 090 339	1 814 961	4 905 300
Property maintenance costs	1 849 662	352 317	2 201 979	1 516 606	890 705	2 407 311
Provision for bad debts	57 349	10 924	68 273	(35 945)	-	(35 945)
Total investment expenses (F)	7 862 409	1 497 602	9 360 011	4 866 128	3 428 221	8 294 349
Net investment income/ (loss) (E-F)=(G)	265 340 862	228 540 807	493 881 670	556 096 606	299 626 424	855 723 030
Other activities						
Other income						
Other interest income	-	700 004	700 004	-	232 284	232 284
Revaluation gains on operating assets	-	(3 914 899)	(3 914 899)	275 188	5 848 975	6 124 163
Exchange gains	40 038	40 038	80 075	1 759 864	966 974	2 726 838
Total other income (H)	40 038	(3 174 857)	(3 134 819)	2 035 052	7 048 233	9 083 285
Other expenses						
Staff costs	-	8 172 950	8 172 950	-	6 871 426	6 871 426
Administration fees	-	8 430 944	8 430 944	-	4 119 908	4 119 908
Actuarial fees	-	1 092 511	1 092 511	-	271 705	271 705
Audit fees	-	353 574	353 574	-	123 931	123 931
Board expenses	-	1 950 627	1 950 627	-	940 087	940 087
IPEC levies	-	2 145 475	2 145 475	-	894 660	894 660
Bank charges	-	2 146 859	2 146 859	-	1 103 026	1 103 026
Total other expenses (I)	-	14 324 743	14 324 743	-	14 324 743	14 324 743
Net other income/(loss) (H-I)=(J)	40 038	(27 467 797)	(27 427 759)	2 035 052	(7 265 510)	(5 241 458)
Change in net assets excluding membership activities (G+J)=(K)	265 380 900	201 073 011	466 453 911	558 131 658	292 349 914	850 481 575
Net Increase / (decrease) in net assets during the year (D+K)=(L)	235 195 802	730 425 065	965 620 867	545 291 552	904 751 451	1 450 203 003
Net assets available for benefits at the beginning of the year (M)	879 867 489	1 267 576 852	2 147 444 340	334 415 937	362 825 401	697 241 338
Net assets available for benefits at the end of year (L+M)	1 115 063 291	1 998 001 916	3 113 065 207	879 867 489	1 267 576 852	2 147 444 340

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2025

10 SUB FUND A STATEMENT OF FINANCIAL POSITION SPLIT

	2025			2024		
	Sub Account 1 ZWG	Sub Account 2 ZWG	Total ZWG	Sub Account 1 ZWG	Sub Account 2 ZWG	Total ZWG
Assets						
A Operating assets						
Motor vehicles	498 416	5 317 106	5 815 522	698 416	5 238 128	5 936 544
Furniture and equipment	-	220 055	220 055	-	188 928	188 928
Computer systems and hardware	-	986 774	986 774	-	881 850	881 850
Total operating assets (N)	498 416	6 523 935	7 022 351	698 416	6 308 906	7 007 322
B Non-current investments						
Investment property	876 544 196	833 025 313	1 709 569 509	723 471 000	429 310 204	1 152 781 204
Equities						
quoted *	231 481 196	145 833 173	377 314 369	154 183 000	85 234 400	239 417 400
unquoted	-	136 516 284	136 516 284	-	124 475 770	124 475 770
Loans and mortgages	10 288	28 870 659	28 880 947	10 288	12 392 925	12 392 925
Staff loans and mortgages	-	-	-	-	-	-
Total non-current investment assets (O)	1 108 035 681	1 144 245 428	2 252 281 109	877 664 288	651 403 011	1 529 067 299
C Current investment assets						
Prescribed assets	-	1 836 328	1 836 328	-	3 646 901	3 646 901
Staff loans and mortgages	-	1 082 900	1 082 900	-	16 240	16 240
Money market investments	2 343 373	3 891 995	6 235 368	-	-	-
Cash on bank and at bank	2 066 573	31 064 923	33 131 496	3 030 598	6 694 578	9 725 176
Total current investment assets (P)	4 409 945	37 876 147	42 286 092	3 030 598	10 357 719	13 388 317
D Sundry debtors						
Contribution arrears	-	802 234 510	802 234 510	-	583 231 086	583 231 086
Rental arrears	1 145 868	-	1 145 868	430 462	-	430 462
Interest receivable	-	63 763	63 763	-	123 541	123 541
Other (specify)						
Value Added Tax	-	12 991 660	12 991 660	-	10 160 342	10 160 342
Other debtors	-	9 876 453	9 876 453	1 205 802	9 239 471	10 445 273
Total sundry debtors (Q)	1 145 868	825 166 386	826 312 254	1 636 264	602 754 440	604 390 704
Total assets (N+O+P+Q) =R	1 114 089 910	2 013 811 896	3 127 901 806	883 029 566	1 270 824 077	2 153 853 643
E Non actuarial liabilities						
Arrear pension benefits	680 459	737 164	1 417 623	-	1 060 650	1 060 650
Tenants deposits	1 106 068	-	1 106 068	35 504	-	35 504
Other payables	-	12 200 903	12 200 903	3 082 841	2 186 576	5 269 417
Provision for bad debts	112 004	-	112 004	43 731	-	43 731
Total non-actuarial liabilities (S)	1 898 531	12 938 067	14 836 598	3 162 076	3 247 226	6 409 302
Net assets available for benefits at the end of the year (R-S) =T	1 112 191 379	2 000 873 829	3 113 065 208	879 867 490	1 267 576 851	2 147 444 341
F Actuarial liabilities						
Members' liabilities						
Active members	931 188 879	1 976 049 017	2 907 237 896	742 534 242	804 966 969	1 547 501 211
Pensioners	93 893 037	-	93 893 037	72 165 563	-	72 165 563
Deferred pensioners	27 743 757	-	27 743 757	22 018 855	-	22 018 855
Unclaimed benefits	-	-	-	1 275 189	-	1 275 189
Reserves						
Stabilisation reserve	-	23 137 539	23 137 539	-	6 444 963	6 444 963
Reserves	54 544 810	-	54 544 810	-	43 061 617	43 061 617
Total actuarial liabilities (U)	1 107 370 483	1 999 186 556	3 106 557 039	881 055 466	811 411 932	1 691 192 209
Surplus/deficit (T-U)	4 820 896	1 687 273	6 508 169	(1 187 976)	456 164 919	456 252 132

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2025

	31 December 2024			5 April 2024		
	Sub Account 1 ZWG	Sub Account 2 ZWG	Total ZWG	Sub Account 1 ZWG	Sub Account 2 ZWG	Total ZWG
Assets (continued)						
D Sundry debtors						
Contribution arrears	-	128 081 893	128 081 893	-	58 380 863	58 380 863
Rental arrears	430 462	-	430 462	1 999 366	236 913	2 236 279
Interest receivable Other (specify)	-	-	123 541	10 160 342	123 541	10 160 342
Value Added Tax	5 115	-	37 508	2 146 169	42 623	2 146 169
Other debtors	1 205 802	9 239 471	10 445 273	136 522	2 404 248	2 540 770
Total sundry debtors (Q)	1 636 264	147 605 247	149 241 511	2 141 003	63 205 701	65 346 704
Total assets (N+O+P+Q) =R	883 029 566	815 674 883	1 698 704 449	334 641 582	326 785 116	661 426 698
E Non actuarial liabilities						
Arrear pension benefits	-	1 060 650	1 060 650	133 475	-	133 475
Tenants deposits	35 504	-	35 504	19 605	-	19 605
Other payables	3 082 841	2 186 576	5 269 417	1 203	2 337 190	2 338 393
Provision for bad debts	43 731	-	43 731	71 362	-	71 362
Total non-actuarial liabilities (S)	3 162 076	3 247 226	6 409 302	225 645	2 337 190	2 562 835
Net assets available for benefits at the end of the year (R-S) =T	879 867 490	812 427 657	1 692 295 147	334 415 937	324 447 926	658 863 863

11 Sub Fund B income and expenses transactions

The following are the income and expenses for Sub Fund B in the currency they were incurred in.

	2025 USD	2024 USD
Membership activities		
Contributions		
By members		
(a) Normal	3 780 065	2 608 380
By employers		
(a) Normal	8 756 196	6 105 335
Interest on contribution arrears	2 167 637	886 189
Total contributions (A)	14 703 899	9 599 904
Total other membership income (B)	-	-
Benefits and payments		
Lumpsum awards on withdrawal/registration	408 837	51 862
Total benefits and payments (C)	408 837	51 862
Net membership activities income/loss (A+B-C)=D	14 295 062	9 548 042

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2025

	2025 USD	2024 USD
NON-MEMBERSHIP ACTIVITIES		
Investment income Financial assets		
Interest income	64 735	14 748
Dividends	1 948	2 115
Unrealised fair value gains /(losses) on financial assets	65 749	5 715
Total investment income/(loss) (E)	132 432	22 578
Investment expenses		
Asset management fees	7 292	600
Total investment expenses (F)	7 292	600
Net investment income/(loss) (E-F)=(G)	125 140	21 978
Other activities		
Other income	-	-
Total other income (H)	-	-
Other expenses		
Staff costs	453 520	155 364
Administration fees	226 760	28 158
Actuarial fees	-	5 000
Audit fees	-	846
Board expenses	-	3 014
IPEC levies	-	15 466
Total other expenses (I)	711 669	208 491
Net other income/(loss) (H-I)=(J)	(711 669)	(208 491)
Change in net assets excluding membership activities (G+J)=(K)	(586 529)	(186 513)
Net increase /(decrease) in net assets during the year (D+K)=(L)	13 708 533	9 361 529
Net assets available for benefits at beginning of the year (M)	14 892 960	5 531 451
Net assets available for benefits at the end of year (L+M)	28 601 493	14 892 980

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2025

12	Sub Fund B assets and liabilities	2025 USD	2024 USD
A	Assets Operating assets		
	Motor vehicles	-	-
	Total operating assets (N)	-	-
B	Non-current investments		
	Investment property	2 625 393	499 168
	Equities quoted *	227 926	62 187
	Long term deposits	683 900	180 000
	Total non-current investment assets (O)	3 5 37 218	741 355
C	Current investment assets		
	Money market investments	57 739	538 000
	Cash on bank and at bank	1 218 672	96 244
	Total current investment assets (P)	1 276 411	634 244
D	Sundry debtors		
	Contribution arrears	23 580 723	13 507 254
	Interest receivable	61 324	10 127
	Value added tax	161 765	-
	Total sundry debtors (Q)	23 803 813	13 517 381
	Total assets (N+O+P+Q) =R	28 617 443	14 892 980
E	Non actuarial liabilities		
	Arrear pension benefits	15 950	-
	Total non-actuarial liabilities (S)	15 950	-
	Net assets available for benefits at the end of the year (R-S) =T	28 601 493	14 892 980
F	Actuarial liabilities Members' liabilities		
	Active members	27 426 074	14 090 275
	Reserves		
	Stabilisation reserve	1 038 805	787 907
	Total actuarial liabilities (U)	28 464 879	14 878 182
	Surplus/deficit (T-U)	136 614	14 798

13 Related party transactions

During the year, the Fund entered into the following transactions with sponsoring employers who are related parties to the Fund.

	Inflation Adjusted		Historical	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
Rent income				
ZETDC	5 460 427	2 556 527	5 460 427	2 288 902
REF	1 021 440	525 538	1 021 440	470 523
Powertel	63 840	-	63 840	-
	6 545 707	3 082 065	6 545 707	2 759 425
Balances				
ZETDC	267 905	100 679	267 905	87 519
Powertel	26 929	-	26 929	-
	294 834	100 679	294 834	87 519

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2025

14 DEBTORS' AGE ANALYSIS

14.1 Inflation adjusted

	2025		2024	
	Rental arrears	Contribution arrears	Rental arrears	Contribution arrears
Below 30 days	240 838	84 905 365	281 629	107 051 836
Between 31 days and 90 days	797 524	179 287 689	139 279	257 746 697
91 days and 180 days	107 504	195 899 753	64 167	194 851 146
181 days and above	-	954 785 401	10 113	512 142 827
Total at the end of reporting period	1 145 866	1 414 878 208	495 188	1 071 792 506

14.1 Historical

	2025		2024	
	Rental arrears	Contribution arrears	Rental arrears	Contribution arrears
Below 30 days	240 838	84 905 365	244 817	93 059 038
Between 31 days and 90 days	797 524	179 287 689	121 074	224 056 499
91 days and 180 days	107 504	195 899 753	55 780	169 382 056
181 days and above	-	954 785 401	8 791	445 200 385
Total at the end of reporting period	1 145 866	1 414 878 208	430 462	931 697 978

15 FINANCIAL VALUATION

The Board finds it prudent to carry out a financial review of the Fund to:

- Assess the Fund's financial position.
- Recommend a pension increase to be made to pensions in payment from the Fund.
- Recommend an interest rate to be credited to each member's account as at financial year end.
- Recommend the interim interest rate to be applied for claim payments in the following year.

The financial review carried out in line with IPEC guidelines as at 31 December 2025 revealed that the Fund was in a financially sound position with a surplus of ZWG10 057 401.

The financial review recommended for a pension increase of 14.55% after taking into account the pension increases and bonuses awarded during the year. During the year pensioners were awarded a interim pension increase of 10%. The final bonus awarded were as follows:

	Final Bonus Awarded
Sub-Fund A - Account 1	26%
Sub-Fund A - Account 2	15.12%
Sub Fund B	11.13%
Preserved Benefits	26%

16 INVESTMENT POLICY STATEMENT

The Insurance and Pensions Commission (IPEC) issued Circular 1 of 2016 which allowed organisation to register their Investments Policy Statements (IPS) with investment guidelines. The Fund registered its IPS with IPEC and investment guidelines are as follows:

Asset class	Strategic allocation	Tolerance Range
Listed shares	30%	25% - 35%
Fixed property	40%	35% - 45%
Bonds	10%	5% - 10%
Alternative investments	10%	7.5% - 10%
Money market	5%	5% - 7%
Offshore	5%	3% - 5%

As at 31 December 2025 the Pension Fund was not in full compliance with this Circular.

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2025

17 COMPLIANCE WITH IPEC REGULATIONS

The Fund in ensuring compliance with the currency guidelines measured assets at fair value at the measuring date of 31 December 2019. The Fund created Sub Account 1, Sub Account 2 and Sub Account 3 to comply with the currency guideline. Assumptions were made in allocating transactions that could not be directly allocated to Sub Account 1 and 2. The Fund started to receive USD contributions in 2023 thus Sub Account 3 amounts do not have 2022 comparative figures

During the year there were no fines and penalties levied against the Fund for non-compliance.

18 COMPENSATION EXERCISE

As at 31 December 2023, Statutory Instrument 162 of 2023 relating to Pensions and Provident Funds compensation for loss of pre-2009 value of pension benefits was effective. The statutory instrument provides a mandatory procedure for compensating loss of value of life insurance policies and pensions suffered by policyholders and pension scheme members during the period 1 January 2000 to 28 February 2009. The statutory instrument further provides what must be contained in the proposed compensation schemes and the procedure of determining the amounts to be compensated.

The Fund has made submissions to the regulator and its proposed compensation scheme is yet to be approved.

19 SUBSEQUENT EVENTS

There were no subsequent events which required disclosure in the financial statements or adjustments of the financial statements.

20 GOING CONCERN

The Board has, at the time of approving the financial statements, a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. It is on this basis that the financial statements are prepared on a going concern basis.



Alternate investments - Blueberry plantation

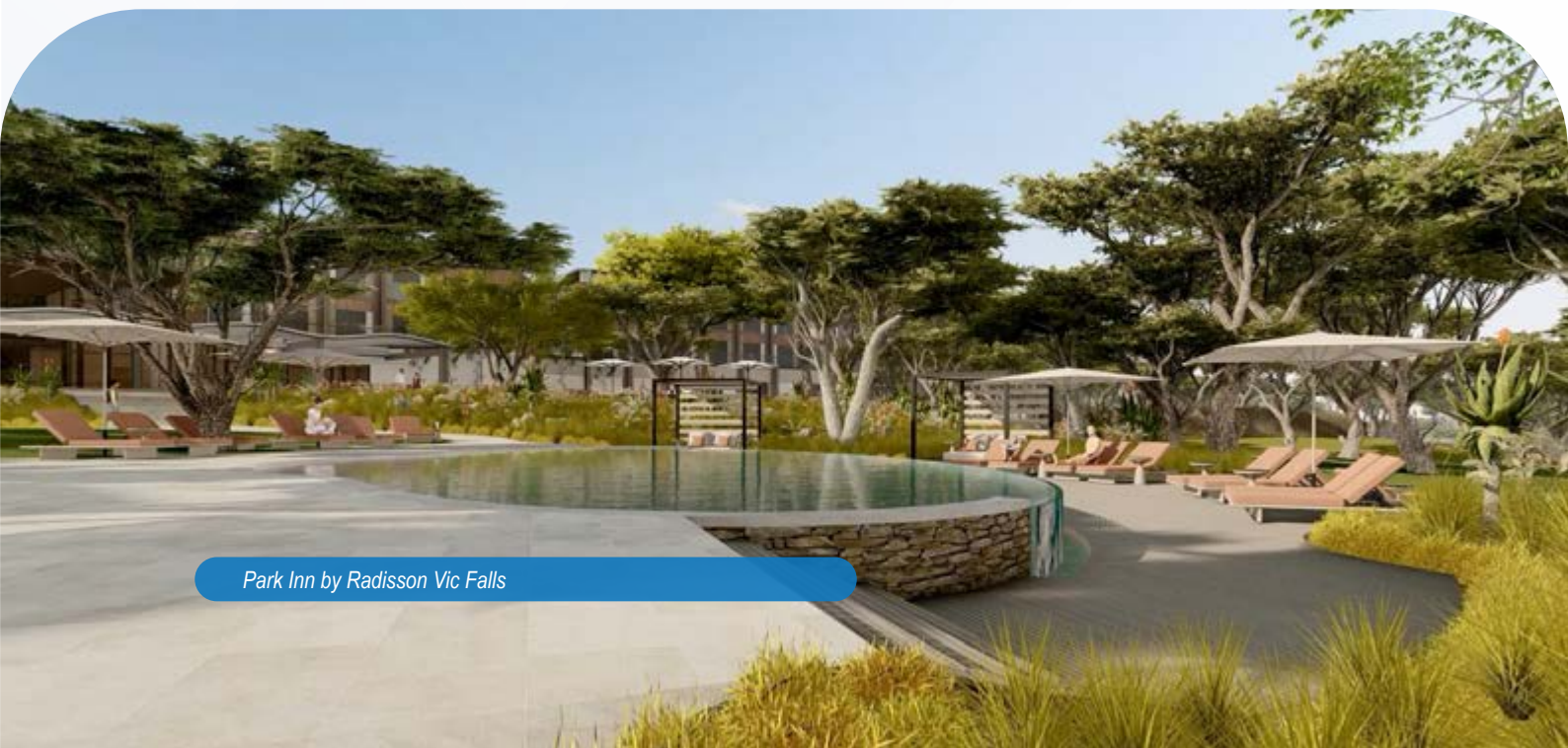
INVESTMENT PROPERTY VALUATION

1. Market Fair Value as at 31 December 2025

- 1.1 The Fund investment property was valued at a fair value of ZWG1,390,310,000 with gross replacement cost of ZWG1,545,010,000 as of 31 December 2025.
- 1.2 Purpose of the valuation is provided solely for the purpose of Financial Reporting for Zimbabwe Electricity Industry Pension Fund.
- 1.3 The valuation was undertaken on a completely independent basis by Integrated Properties, a firm which offers valuations of immovable properties and plant/machinery assets.
- 1.4 Sources of information used in the valuation included the client, the Deeds Registry and Surveyor General's offices, Local Authorities, Quantity Surveyors, other Estate Agents, and other property companies.

2. Determination of market value

- 2.1 In determining the market value of the subject properties, the valuer considered comparable market evidence. This comprises complete transactions as well as transactions where offers had been made but the transaction had not been finalised. They also looked at the prices that are being asked for in respect of properties that are currently on the market. They exercised professional judgement to adjust the market evidence to take cognisance of the fact that the properties in the transactions were not exactly comparable in terms of size, location, quality, etc., to the subject properties.
- 2.2 All residential properties and vacant stands in the portfolio were valued utilising the market approach/comparative method to derive the Fair Values.
- 2.3 The income approach is a widely accepted methodology for valuing income-generating properties. This approach encompasses two primary methods: the investment method and the profits method.
- 2.4 The conventional investment method entails calculating the property's value by multiplying its net rental income by a capitalisation factor, typically represented as yield. This method is grounded in the principle that a property's value is influenced by the present value of its future cash flows.
- 2.5 Net rental income: The net rental income was derived by analysing comparable inputs from similar properties in the market and making adjustments where necessary.
- 2.6 Capitalisation rates were determined by analysing market evidence and making adjustments based on the property's age, condition, and occupancy.
- 2.7 Adjusting for Property Age: The valuer recognized that older properties pose a higher risk profile due to potential maintenance issues, outdated systems, and the need for renovations. Conversely, newer properties are perceived as less risky and may command a lower capitalisation rate. To account for the age factor, the Valuer adjusted the market-derived cap rate by adding or subtracting a specific percentage based on the property's age.
- 2.8 Adjusting for Property Condition: The physical condition of the property significantly impacts the capitalisation rate. Properties in excellent condition are perceived as less risky and may warrant a lower cap rate, while properties in poor condition, requiring significant repairs or renovations, are considered riskier and warrant a higher capitalisation rate. We adjusted the market-derived cap rate based on the property's overall condition, typically by adding or subtracting a specific percentage.



Park Inn by Radisson Vic Falls

INVESTMENT PROPERTY VALUATION (CONTINUED)

- 2.9 Adjusting for Property Occupancy: The occupancy rate of the property also affects the cap rate. Properties with stable, long-term tenants and high occupancy rates are generally considered less risky and may warrant a lower capitalisation rate. Conversely, properties with high vacancy rates or frequent tenant turnover are perceived as riskier and warrant a higher cap rate. We adjusted the market-derived capitalisation rate based on the property's current occupancy rate and the stability of the tenant base.
- 2.10 All commercial and industrial properties in the portfolio were valued utilising the income approach to derive the Fair Values.
- 2.11 Two methods fall within the cost approach: the replacement cost (contractor's) method and the residual method. The replacement cost method is used to value properties that do not usually exchange on the open market (for example, public buildings) and for which direct comparable evidence does not exist. The valuations are based on two components: the depreciated cost of the building element and the value of the land. Current building costs and often the land value will be established by comparison. The residual method, used to assess the value of a development site, combines elements of the income and cost approaches. It requires calculation of the value of the completed development that will be reached by comparison with market transactions, while the assessment of development costs will also require comparison to be made with building costs, fees, finance costs and many other elements in similar projects.
- 2.12 The cost approach was utilised to determine the Gross Replacement Cost for all the buildings/improvements.

3. Key drivers of the property market

- 3.1 Construction costs continued to exert upward pressure on development feasibility in 2025, driven by currency exposure, imported inputs, and elevated prices of cement, steel, and finishing materials. While cost escalation moderated compared to prior years, increases in the range of 8–15% year-on-year constrained speculative development and reinforced the preference for phased, pre-leased, or income-supported projects.
- 3.2 Zimbabwe's young and growing population, coupled with sustained rural-to-urban migration, continued to underpin structural demand for housing and urban services. However, demand remained heavily skewed toward rental accommodation and incremental development formats, reflecting affordability constraints and limited mortgage penetration.
- 3.3 Diaspora remittances and informal sector liquidity remained critical sources of capital, sustaining activity in residential, small-scale commercial, and micro-industrial segments. This liquidity favoured modular, flexible, and lower-ticket property formats, reinforcing demand for subdivided residential units, small warehouses, and informal retail spaces.
- 3.4 Despite easing inflation during the year, currency risk and confidence considerations continued to position real estate as a store of value and capital preservation tool. Pricing, leasing, and valuation practices remained predominantly USD-denominated, reinforcing property's role as a defensive asset rather than a speculative growth play.
- 3.5 The outlook for Zimbabwe's property market in 2025 was cautiously optimistic, anchored by improving macroeconomic stability and sectoral support from agriculture and mining. However, elevated interest rates, infrastructure delivery risks, and affordability constraints continued to limit speculative expansion. Market performance increasingly depended on asset quality, location, compliance, and income resilience, rather than broad market momentum.
- 3.6 As at 31 December 2025, Zimbabwe's property market exhibited resilience through adaptation, with investment and occupancy gravitating toward assets offering income security, spatial relevance, and policy alignment. While macroeconomic risks persist, selective exposure to industrial/logistics assets, mixed-use developments, and well-positioned land offers credible pathways for value preservation and measured growth. Real estate continues to function not only as a hedge against macroeconomic uncertainty, but as a strategic component of Zimbabwe's urban and economic transformation trajectory.

QUOTED SHARES PERFORMANCE

1. CAPITAL MARKETS UPDATE- EQUITIES, Zimbabwe Stock Exchange

- 1.1 The Zimbabwe Stock Exchange enjoyed a 32% gain over the course of fourth quarter to close the year with a 28% gain in 2025. The positive performance was achieved despite a generally tight liquidity environment from a policy position by the Central Bank.
- 1.2 An 18% gain in December followed another 10% uplift recorded in the month of November.
- 1.3 Shares worth ZiG 1.1 billion changed hands over the last three months of the year leading to a cumulative turnover of ZiG5.4 billion over the twelve-month period. The turnover translates to around US\$208million for the year. Market Capitalisation closed the year at ZiG87 billion.
- 1.4 Trading was concentrated in the top tier counters commanding the significant share of the total value traded. Other counters have really suffered in terms of market activity.
- 1.5 Foreign investor participation has been on the same path of net outflows from our market.
- 1.6 Many major counters are still trading below their historical averages, presenting attractive buying opportunities for investors.
- 1.7 Company fundamentals show good value creation supported by dividend income distribution.

2. EQUITIES - VICTORIA FALLS STOCK EXCHANGE

- 2.1 A 17% uplift on the Victoria Falls Stock Exchange (VFEX) helped the hard currency-based bourse to cap a fine year with 70% gain in 2025.
- 2.2 Market capitalisation increased by us\$817 million to close the year at US\$2.1 billion, making strong statement on value creation for investors.
- 2.3 Shares worth US\$21.3million changed hands over the course of the fourth quarter bringing total value traded for the year to US\$111 million.
- 2.4 The combined trading activity of the two local bourses in 2025 of circa US\$320 million still falls short of the US\$400 to us\$500 million annual turnover range achieved at some point by the ZSE when all counters were listed under a single market.
Profitability, Cash generation and dividend income are some of the key metrics supporting a compelling investment case on the VFEX.

3. ZIMBABWE ELECTRICITY INDUSTRY PENSION FUND PORTFOLIO REVIEW

	Q4 2025 Performance	Year To Date Performance
Main Portfolio ZWG Performance	39,44%	47,79%
Main Portfolio USD Performance	21,62%	88,52%
Sub 3 Portfolio USD Performance	6,66%	21,03%
ZSE Performance	31,92%	27,70%
VFEX Performance	17,43%	70,16%
Inflation	0,07%	14,98%

ACTUARIAL VALUATION

As of 31 December 2025

1. EXECUTIVE SUMMARY

Background

- 1.1. We have carried out an Actuarial Valuation of the Zimbabwe Electricity Industry Pension Fund ('the Fund') as at 31 December 2025 in line with your instructions.

Year-end Actuarial Valuation 31 December 2024

- 1.2. The results of the exercise revealed that the Fund was financially sound with a surplus of ZWG 1 289 040 454 in Sub Fund A and US\$1 112 659 in Sub Fund B before recommendations, due to positive returns earned on assets held.
- 1.3. We recommended that Board Members award the following bonuses to maintain financial soundness at the review date.

Sub Fund A	Bonus	Comments
Sub Fund 1	169.0%	Cumulative
Sub Fund 2		
31 December 2023 to 05 April 2024	56.1%	Extra bonus
06 April 2024 to 31 December 2024	91.4%	Cumulative
Total	198.78%	Cumulative
Preserved	169.0%	Cumulative
Pension increase	15.0%	Additional

Table 1: Recommended bonuses as at 31 Dec 2024

- 1.4. We have been advised that these bonuses were adopted and implemented by the Board Members.

The Economy

- 1.5. In 2025, Zimbabwe's economy showed signs of recovery and stabilization, with GDP growth projected at around 6.6%, driven mainly by strong performance in agriculture, mining, and the services sector. Improved agricultural output supported food security and modest poverty reduction, while mining and remittances boosted foreign currency inflows. Tight monetary and fiscal policies helped stabilize the ZWG currency and contain inflation, contributing to improved macroeconomic confidence.
- 1.6. Despite these gains, the economy continued to face significant challenges, including a large informal sector, infrastructure gaps, and weak formal job creation, underscoring the need for sustained reforms to support inclusive and long-term growth.
- 1.7. The exchange rate increased from USD: ZWG 25.82 on the 2nd of January 2025 to ZWG 25.98 on the 31st of December 2025, thus the ZWG weakened slightly over the year, indicating a marginal depreciation of 0.62%.
- 1.8. The Year-on-year inflation averaged 15.00% during 2025.
- 1.9. The All-Share Index increased by 27.43% from 217.58 points on the 1st of January 2025, to 277.26 points registered on the 31st of December 2025.
- 1.10. The Victoria Falls All Share Index (VFEX - ASI) delivered a strong performance in 2025, rising from 104.29 points on the 1st of January to close of the year at 177.12 points on the 31st of December 2025, an overall gain of 69.83%. This growth was supported by improved market sentiment, with market capitalisation reaching a record US\$1.85 billion in the third quarter, reflecting heightened investor confidence and stronger equity valuations.
- 1.11. This means that the equities market outperformed both the depreciation of the local currency and inflation, demonstrating some strong real market performance.
- 1.12. According to Property.co.zw. (2025), the property market experienced steady growth over the review period, resulting in an overall return of 12.00%.
- 1.13. This means that the property market under-performed inflation of 15.00%, resulting in a negative real return. However, returns exceeded the 0.62% depreciation of the local currency, indicating that property broadly preserved value in foreign-currency terms but did not fully hedge against inflation.
- 1.14. With reference to RBZ interest rates, Cash and Money Market Investments earned an average return of 35.00% over the year. This means that the Cash and Money Market outperformed both the depreciation of the local currency and inflation, demonstrating some strong real market performance.
- 1.15. The Prescribed assets market experienced steady growth over the review period, resulting in an overall average return of 35.00% according to the RBZ Interest rates.
- 1.16. This means that the Prescribed assets market outperformed the 15% inflation rate whilst it outperformed the depreciation of the local currency meaning there was preservation of capital in foreign-currency terms.

ACTUARIAL VALUATION (CONTINUED)

As of 31 December 2025

- 1.17. Alternative investments market experienced steady growth over the review period, resulting in an overall average return of 10.00%.
- 1.18. Alternative investments market underperformed the 15% inflation rate eroding purchasing power whilst it outperformed the depreciation of the local currency meaning there was preservation of capital in foreign-currency terms.
- 1.19. Over the same period, the Fund earned an overall return of 21.09% per annum for Sub Fund A, split 31.56% in Sub Fund 1 and 15.12% in Sub Fund 2.
- 1.20. Please note that our recommended asset benchmark for the Fund is 35% in Property, 25% in Equities, 10% in Bonds, 10% in Prescribed assets and 10% in Cash and money markets and 10% in Alternative investments.
- 1.21. Had the Fund been invested in line with the recommended benchmark it would have earned a return of 19.06%.
- 1.22. Accordingly, the Fund marginally outperformed the recommended benchmark, largely driven by strong equity market performance and returns that exceeded both inflation and currency depreciation across key asset classes.
- 1.23. The Fund's return of 31.56% in Sub Fund 1 and 15.12% in Sub Fund 2 were above inflation resulting in a positive real return.
- 1.24. The Fund's performance marginally exceeded the benchmarks; however, sustained attention will be necessary to ensure continued strong performance.
- 1.25. Accordingly, we recommend that the Board continues to focus on sustaining and further enhancing the Fund's performance relative to the established benchmarks.

Summary of results

Sub Fund A (ZWG)

- 1.26. The review period is from 01 January 2025 to 31 December 2025.
- 1.27. Sub Fund A consist of Sub Fund 1 which relates to contributions made pre 2019 and Sub Fund 2 which relates to contributions made post 2019 in local currency.
- 1.28. Note that we have maintained the split of Sub Fund A into Sub Fund 1 and 2 given the high exposure to cross-subsidy risk due to non-payment of contributions.
- 1.29. In December 2025, the Employer, ZESA Holdings agreed and signed a resolution to index the outstanding contribution arrears in USD thus the financial review has been conducted on this basis.

ZWG Assets

- 1.30. The total ZWG assets of the Fund as per the Financial Statements provided amounted to ZWG 3 127 901 806 as at 31 December 2025.
- 1.31. The net assets backing liabilities after deducting non-pension related liabilities are ZWG 3 113 065 208 in Sub Fund A.
- 1.32. Based on the average assets held over the period from 01 January 2025 to 31 December 2025 and the total net investment income of the Fund, the return earned on the ZWG assets amounted to an average of 21.09%.

	Return
Sub Fund 1	31.56%
Sub Fund 2	15.12%
Sub Fund A	21.09%

Table 2: Return as at 31 December 2025

Interim Bonus declarations

- 1.33. The table below summarises the pension increases granted to pensioners, effective 01 July 2025.

Effective date	Pension Inc awarded
01 July 2025	10.0%

Table 3: Pension increases

- 1.34. In addition, Pensioners also received monthly lump sums as follows,
- ZWG Lump sum equivalent to September 2024 pensions were paid monthly,
 - US\$ Lump sum equivalent to the ZWG monthly pension and rounded up to the nearest multiple of US\$10 guaranteed, subject to the following minimums:
 - US\$ 30 for principal Pensioners,
 - US\$ 20 for spouse beneficiaries, and
 - US\$ 10 for child beneficiaries.

ACTUARIAL VALUATION (CONTINUED)

As of 31 December 2025

Financial Position as at 31 December 2025 before bonus

1.35. The financial position of the Fund before bonus recommendations as at 31 December 2025 is as shown below:

Before bonus	Actives		Pensioners	Preserved	ZEIPF		Grand Total
	Sub Fund 1	Sub Fund 2	Sub Fund 1	Sub Fund 1	Sub Fund A	Stabilization account	
Assets	990 316 428	1 977 736 290	94 021 100	27 853 852	3 089 927 670	23 137 539	3 113 065 208
Liabilities	780 496 664	1 749 881 291	81 296 458	22 018 855	2 633 693 269	23 137 539	2 656 830 807
Actives Account							-
Contributing	712 154 080	1 740 496 102			2 452 650 182		2 452 650 182
Exit top ups	24 008 054	9 385 189			33 393 243		33 393 243
NGS Credits	1 044 998				1 044 998		1 044 998
Stabilization Account					-	23 137 539	23 137 539
2018 Surplus + Data reserve	43 289 532				43 289 532		43 289 532
Preserved	-			22 018 855	22 018 855		22 018 855
Pensioners			74 559 924		74 559 924		74 559 924
Pensioner's reserve			6 736 534		6 736 534		6 736 534
Surplus	209 819 763	227 854 999	12 724 642	5 834 997	456 234 401	-	456 234 401
Funding Level	127%	113%	116%	127%	117%	100%	117%

Table 4: Financial position before bonus as at 31 December 2025

- 1.36. The total liabilities before bonus allocation as at this review date amounts to ZWG 2 656 830 807 split ZWG 883 811 978 in Sub Fund 1, ZWG 1 749 881 291 in Sub Fund 2 and ZWG 23 137 539 in the Stabilization Account.
- 1.37. The results show an excess of assets over liabilities of ZWG 456 234 401. This surplus translates to a Funding Level (Assets over Liabilities) of 117%.
- 1.38. This Funding Level shows that the Fund is financially sound as at 31 December 2025.

Bonus declarations

- 1.39. The Fund is Defined Contributions where at any given point the assets of the Fund must determine the liabilities of the Fund. This means the disclosed surplus must be distributed to Members of the Fund in the form of a bonus.
- 1.40. Based on the investment returns earned, the pension increases already credited, and considerations stated on paragraph 1.50 & 1.51, we recommend that Board Members award the following bonuses over the review period;

Sub Fund A	Bonus	Comments
Sub Fund 1	26.00%	Cumulative
Sub Fund 2	15.12%	Cumulative
Pension increase	14.55%	Additional
Preserved	26.00%	Cumulative

Table 5: Recommended bonus as at 31 December 2025

- 1.41. Please note, we could only declare a bonus of 26.00% in Sub Fund 1 which is consistent with the growth in assets of 26.6% over the review period.
- 1.42. In line with the Board Members' instruction, we have distributed the maximum bonus which can be afforded, leaving the barest surplus with the Fund.

ACTUARIAL VALUATION (CONTINUED)

As of 31 December 2025

Financial Position as at 31 December 2025 after bonus

- 1.43. Should the bonus recommendations be adopted and implemented by the Board members, this will leave the Fund with a surplus of ZWG 6 508 169, thus leaving the Fund in a sound financial position.
- 1.44. Our bonus recommendations are therefore affordable. However, care must be taken to protect the Fund against future adverse market movements.
- 1.45. The financial position of the Fund would be as shown below:

Before bonus	Actives		Pensioners	Preserved	ZEIPF		Grand Total
	Sub Fund 1	Sub Fund 2	Sub Fund 1	Sub Fund 1	Sub Fund A	Stabilization account	
Assets	990 426 522	1 977 736 290	94 021 100	27 743 757	3 089 927 670	23 137 539	3 113 065 208
Liabilities	985 733 689	1 976 049 017	93 893 037	27 743 757	3 083 419 500	23 137 539	3 106 557 039
Actives Account							-
Contributing	899 622 033	1 965 244 882			2 864 866 915		2 864 866 915
Exit top ups	30 250 148	10 804 135			41 054 283		41 054 283
NGS Credits	1 316 697				1 316 697		1 316 697
Stabilization Account	-				-	23 137 539	23 137 539
2018 Surplus + Data reserve	54 544 810				54 544 810		54 544 810
Preserved				27 743 757	27 743 757		27 743 757
Pensioners			85 405 004		85 405 004		85 405 004
Pensioner's reserve			8 488 033		8 488 033		8 488 033
Surplus	4 692 833	1 687 273	128 063	-	6 508 169	-	6 508 169
Funding Level	100%	100%	100%	100%	100%	100%	100%

Table 6: Financial position after bonus as at 31 December 2025

- 1.46. In addition, the following are recommended.
- Monthly returns be calculated for paying exits as well as for basing pension increases on earned and realised returns.
 - The Board to formally consider discontinuing the payment of the discretionary pensions in paragraph 1.34 given the improved stability observed in the market over the review period, as outlined in Section 3 of this report as well our findings in the Appendices.
- 1.47. In our view, the Fund will be financially sound at the next review date at 31 December 2026 should our recommendations be adopted and implemented by Board Members.

Other requests

- 1.48. The Fund has further requested that we carry out the following exercises whose full reports are in Appendix V.
- Assess if there was cross-subsidization within the Fund.
 - Assess the impact of distributing the Stabilization Account to enhance Member and Pensioner benefits.
 - Estimate the cost of augmenting pensions, specifically funding the discretionary pensions in paragraph 1.34.
 - Assess the impact of carrying out the valuation of pensioners using the Zim Mortality Tables and ZEIPF Mortality Tables.
 - Assess the impact of merging ZEIPF and ZESA Staff Pension Fund Pensioners.
 - The updated outstanding Compensation results are also discussed.
- 1.49. These issues are discussed in the paragraphs below with further details in the Appendices.

Assessing Cross-Subsidization within the Fund

- 1.50. This assessment was carried out over the five-year period from 2021 - 2025.
- 1.51. Our assessment was in accordance with Rule 36(iii), and we have found no evidence of cross-subsidisation between member groups. However, higher than expected cash outflows in the Pensioners' account stifled the growth of pensioners assets.
- 1.52. We therefore recommend that the Board to formally consider discontinuing the payment of the discretionary pensions in paragraph 1.34 given the improved stability observed in the market over the review period
- 1.53. Kindly refer to the Appendix V for finer details regarding this.

ACTUARIAL VALUATION (CONTINUED)

As of 31 December 2025

Impact of Distributing the Sub Fund A's Stabilization Account

- 1.54. As at the review date, the Fund's Stabilization Account balance is ZWG 23 137 539.
- 1.55. In terms of Rule 16, the Stabilization Account can be used to award bonuses to Members at the Board Members discretion however it must be distributed equitably.
- 1.56. An equitable distribution of the Stabilization Account would result in a transfer of ZWG 704 035 to the Pensioners' account which may be used to finance the cost of adopting Zimbabwe Mortality tables by 2030.
- 1.57. Please refer to the Appendix V for the finer details regarding this.

Cost of Pension Augmentation

- 1.58. We have been requested to assess if the Fund can afford to increase the monthly pensions to the minimum thresholds in paragraph 1.34.
- 1.59. The cost of increasing the monthly pension is ZWG 58 217 243. However, the Fund has insufficient resources to fully implement the required funding and may create an unsustainable expectation within the Fund.

Implementation of the Zimbabwe Mortality Table (Circular 1 of 2026)

- 1.60. We have assessed the impact of the Zimbabwe Mortality Tables on the Zimbabwe Electricity Industry Pension Fund Pensioners.
- 1.61. Our assessment shows that the Zimbabwe mortality is lower than the current mortality being used hence results in a stronger basis.
- 1.62. Since the Zimbabwe mortality is lower than the current basis PA (90) this means that on the average our Pensioners are living longer than what is being assumed, hence, to continue paying the same pension this means we need to set aside more monies (reserves) to pay the pension for the now longer life.
- 1.63. This is illustrated in the Pensioners' financial position below.

	Before Increase Current Valuation Basis PA (90)	Before Increase Proposed Basis Zim mortality tables	After affordable increase
	31-Dec-25	31-Dec-25	31-Dec-25
Assets	94 021 100	94 021 100	94 021 100
Liabilities	81 296 458	86 077 530	94 021 100
Pensioners	74 559 924	79 340 996	86 662 892
Pensioner's reserve	6 736 534	6 736 534	7 358 208
Surplus	12 724 642	7 943 570	-
Funding level	116%	109%	100%

Table 7: Pensioners' financial position -Zim tables

- 1.64. As the Zimbabwe mortality is lower, we cannot afford a 14.55% increase as this will put the Fund into deficit. Thus, if we are to move to Zimbabwe Mortality Tables then the Fund can only afford to award an additional pension increase of 9.20%.
- 1.65. Please refer to the Appendix V for further details regarding our findings.
- 1.66. We carried out a mortality investigation of the Fund and have also assessed the impact of the ZEIPF Mortality Tables on the Pensioners as at 31 December 2025.

Implementation of the ZEIPF Mortality

- 1.67. The ZEIPF Mortality Tables are like the Zimbabwe Mortality Tables as both show that Pensioners are living longer than assumed under the current (PA90) basis.
- 1.68. As a result, both bases increase liabilities and reduce the Fund's funding level, meaning they are not affordable to use at this stage without putting the Fund at financial risk.

ACTUARIAL VALUATION (CONTINUED)

As of 31 December 2025

- 1.69. Since the ZEIPF Mortality is lower than the current basis (PA 90) this means that on average our Pensioners are living longer than what is being assumed, hence, to continue paying the same pension this means we need to set aside more monies (reserves) to pay the pension for the now longer life.
- 1.70. This is illustrated in the Pensioners' financial position below.

31 December 2025	Before Increase Current Valuation Basis PA (90)	Before Increase ZEIPF mortality tables Basis
	31-Dec-25	31-Dec-25
Assets	94 021 100	94 021 100
Liabilities	81 296 458	95 988 343
Pensioners	74 559 924	89 251 809
Pensioner's reserve	6 736 534	6 736 534
Surplus	12 724 642	- 1 967 243
Funding Level	116%	98%

Table 8: Pensioners' financial position – ZEIPF Tables

- 1.71. We cannot therefore use the ZEIPF Mortality Tables now, however, the results show that if average annual returns of at least 0.5% per annum can be achieved then we should be able to move to ZEIPF Mortality Tables by year 2030.
- 1.72. Please refer to the Appendix V for further details regarding our findings.

Impact of Merging ZEIPF and ZESA Staff Pension Fund Pensioners

- 1.73. We have been requested to assess the proposed consolidation of ZEIPF Pensioners and the Zimbabwe Electricity Supply Authority (ZESA) Staff Pension Fund as part of the Fund's response to IPEC's request for the Fund to provide a scheme to restore the financial soundness of the ZESA Staff Pension Fund.
- 1.74. Currently, the valuation of Pensioners is based on the PA (90) mortality tables under ZEIPF, and a (55) Ultimate under ZESA Staff Pension Fund as adopted for the Funds' actuarial valuations.
- 1.75. Below is a summary of findings and recommendations.

ZEIPF and ZESA Staff PF

- 1.76. The results show that the mortality rate under ZESA Staff Pension Fund results in shorter life expectancy for the Pensioners which leads to a lower reserve requirement. Thus, ZEIPF provides a stronger basis compared to ZESA.
- 1.77. Since ZEIPF provides a stronger basis compared to ZESA, we therefore recommend that ZESA Staff PF moves to ZEIPF basis.
- 1.78. In addition, ZESA Staff Pension Fund Pensioners do not have a dedicated Pensioners' Reserve, hence we recommend they set up Pensioner's Reserve Account which is 10% of the Pensioners liability and which is also consistent with ZEIPF.
- 1.79. Therefore, if the Pensioners from ZESA are to be merged with ZEIPF Pensioners, we recommend that the ZESA Staff PF Pensioners would need to be granted a one-time pension increase of 5.4%.
- 1.80. The resulting financial position will be as follows.

	ZEIPF	ZESA Staff PF	Consolidated position
	Before bonus	Before bonus	Before bonus
Assets	94 021 100	1 995 636 277	2 089 657 377
Liabilities	81 296 458	2 513 865 837	2 546 906 099
Pensioners	74 559 924	2 314 302 209	2 540 169 565
Pensioner's reserve	6 736 534	199 563 628	206 300 162
Surplus	12 724 642	- 518 229 560	-656 812 350
Funding Level	116%	79%	82%

Table 9: Pensioners' financial position – ZEIPF and ZESA Staff PF merged

ACTUARIAL VALUATION (CONTINUED)

As of 31 December 2025

- 1.81. Note that the consolidation will be undertaken using the same valuation basis, reserving basis, and funding level.
 1.82. Therefore, consolidation cannot be done if either Fund is in deficit, we recommend that the ZESA Staff Pension Fund find means to align with the ZEIPF basis.

ZEIPF, ZESA Staff PF and Zimbabwe Mortality tables,

- 1.83. Alternatively, in view of Circular 1 of 2026, we recommend that on the proposed consolidation of ZEIPF and ZESA Staff Pension Fund, the Fund adopts Zimbabwe mortality tables to meet the regulatory requirement for full adoption by 2030.
 1.84. Our assessment shows that the Zimbabwe mortality is lower than the current basis used under both Funds that is PA (90) and a (55) Ultimate.
 1.85. Thus, they provide a stronger basis compared to ZESA Staff Pension Fund and ZEIPF, therefore, to adopt the Zimbabwe mortality tables.
 1.86. The resulting financial position will be as follows.

	ZEIPF	ZESA Staff PF	Consolidated position
	Before bonus	Before bonus	Before bonus
Assets	94 021 100	1 995 636 277	2 089 657 377
Liabilities	86 077 530	2 460 828 569	2 546 906 099
Pensioners	79 340 996	2 460 828 569	2 540 169 565
Pensioner's reserve	6 736 534	199 563 628	206 300 162
Surplus	7 943 570	- 664 755 920	- 656 812 350
Funding Level	109%	75%	82%

Table 10: Pensioners' financial position – ZEIPF, ZESA Staff PF and Zimbabwe Mortality tables

- 1.87. Therefore, if the Pensioners from ZESA are to be merged with ZEIPF Pensioners under the Zimbabwe mortality tables basis, both Funds will need a reserve to fund the deficits to protect future payments and manage risks and ensure compliance by 2030.
 1.88. The reserve will be funded from the emerging investment returns therefore this entails awarding a lower pension increase than the return earned over the next periods.
 1.89. Note that the consolidation will be undertaken using a common valuation basis, reserving basis, and funding level. Therefore, the consolidation will not proceed if either Fund is in deficit
 1.90. Overall, while a merger is possible, it must be approached cautiously, especially given the deficit under the ZESA Staff PF.
 1.91. Kindly refer to the Appendix V for further information regarding our findings.

ZEIPF Compensation Framework

- 1.92. In line with the Statutory Instrument 162 of 2023 Pensions and Provident Funds (2009 Compensation) Regulations 2023 from IPEC we have quantified the compensation of the Fund.
 1.93. The table below shows the total prejudice for the Fund.

	Total prejudice
31-Dec-2014	US\$2 696 462
31-Dec-2024	US\$ 3 623 820
31-Dec-2025	US\$ 3 732 535
Total	ZWG 96 973 866

Table 11: Total prejudice as at 31 Dec 2025

- 1.94. Members of the Fund during the period 1 January 2004 to 28 February 2009 are entitled to a compensation of US\$2 696 462 as at 31 December 2014 for the loss on their fund credits during the hyperinflation period between 2004 and 2008 which has been adjusted for time value of money to ZWG 96 973 866 as at 31 December 2025.
 1.95. The table below shows our proposed financing of the Compensation.

ACTUARIAL VALUATION (CONTINUED)

As of 31 December 2025

	31-Dec-2024 (US\$)	31-Dec-2024 (ZWG)	31-Dec-2025 (ZWG)
Fund Portion (outstanding benefits)	114 596	2 955 424	72 016 961
Employer portion (Outstanding contributions)	818 020	21 096 731	21 890 309
Compensation Fund	2 691 205	69 406 167	3 066 596
	3 623 820	93 458 322	96 973 866

Table 12: Financing the prejudice.

- 1.96. After financing the prejudice from the Employer and the Fund, we recommend that the Fund set up a Compensation Fund amounting to ZWG 96 million to be financed by one per centum annual levy on the total value of the Fund assets as per Section 9 of the Statutory Instrument 162 of 2023.
- 1.97. We understand that the Board Members are waiting for regulatory approvals of the Fund's Compensation Scheme, please refer to the Compensation Scheme of the Fund for further details.

Sub Fund B (US\$)

- 1.98. The review period is from 01 January 2025 to 31 December 2025.
- 1.99. The total US\$ assets of the Fund as per the Financial Statements provided amounted to US\$28 617 443 as at 31 December 2025.
- 1.100. The net assets backing liabilities after deducting non-pension related liabilities are US\$28 601 493 split US\$27 562 688 in Sub Fund B and US\$1 038 805 in the Stabilization Account.
- 1.101. Based on the average assets held over the period from 01 January 2025 to 31 December 2025, and the total net investment income of the Fund, the return earned on the assets amounted to an average of 11.13%.
- 1.102. Note the return is largely driven by the unsecured bank overdraft rate charge (15% per annum). There is a huge concentration of outstanding contributions (82% of the total USD assets), we therefore recommend that a plan be established on how these arrears be collected.
- 1.103. This technically means that on a funded basis the Fund has a very small US\$ account of US\$5 036 719 which Members need to note.
- 1.104. The total liabilities before bonus allocation as at this review date amounts to US\$26 432 392 split US\$25 393 587 in Sub Fund B and US\$1 038 805 in the Stabilization Account.

Before bonus	ZEIPF			
	Sub Fund B	Stabilization account	Total USD	Total ZWG
Assets	27 562 688	1 038 805	28 601 493	743 066 787
Liabilities	25 393 587	1 038 805	26 432 371	686 712 999
Actives Account	25 393 587		25 393 587	659 724 850
Stabilization account		1 038 805	1 038 805	26 988 148
Surplus	2 169 122	-	2 169 122	56 353 788
Funding Level	109%	100%	108%	108%

Table 13: Financial Position before bonus as at 31 December 2025

- 1.105. The results show an excess of assets over liabilities of US\$2 169 122. This surplus translates to a Funding Level (Assets over Liabilities) of 108%.
- 1.106. This Funding Level shows that the Fund is financially sound as at 31 December 2025.
- 1.107. Based on the investment returns earned, and considerations stated above, we recommend that Board Members award the following cumulative bonus over the review period 01 January 2025 to 31 December 2025:

	Bonus	Comment
Sub Fund B	11.13%	Cumulative

Table 14: Recommended bonus as at 31 December 2025

ACTUARIAL VALUATION (CONTINUED)

As of 31 December 2025

- 1.108. Our bonus recommendations are therefore affordable. However, care must be taken to protect the Fund against future adverse market movements.
- 1.109. Should our recommendations be adopted by the Fund Board members, then the financial position of the Fund would be as shown below:

After bonus	ZEIPF			
	Sub Fund B	Stabilization account	Total USD	Total ZWG
Assets	27 562 688	1 038 805	28 601 493	743 066 787
Liabilities	27 426 074	1 038 805	28 464 879	739 517 556
Actives Account	27 426 074		27 426 074	712 529 408
Stabilization account		1 038 805	1 038 805	26 988 148
Surplus	136 614	-	136 614	3 549 231
Funding Level	100%	100%	100%	100%

Table 15: Financial position after bonus as at 31 December 2025

- 1.110. Should the bonus recommendations be adopted and implemented by the Board Members, this will leave the Fund with a surplus of US\$136 614, thus leaving the Fund in a sound financial position.

Conclusion

- 1.111. We have carried out an Actuarial Valuation of the Zimbabwe Electricity Industry Pension Fund ('the Fund') as at 31 December 2025.

Final Bonus

- 1.112. The final bonus recommendations as at 31 December 2025 are shown in the table below:

	Bonus	Comment
Sub Fund A		
Sub Fund 1	26.00%	Cumulative
Sub Fund 2	15.12%	Cumulative
Pension increase	14.55%	Additional
Preserved	26.00%	Cumulative
Sub Fund B	11.13%	Cumulative

Table 16: Recommended bonus as at 31 December 2025

- 1.113. In addition, the following are recommended.
- Monthly returns be calculated for paying exits as well as for basing pension increases on earned and realised returns.
 - The Board to formally consider discontinuing the payment of pension lump-sum benefits and discretionary pension increases.
 - Our recommendations regarding other issues are in paragraphs 1.57, 1.62, 1.70 and Appendices.
- 1.114. In our view, the Fund will be financially sound at the next review date should our recommendations be adopted and implemented by Board Members.
- 1.115. We will be happy to discuss all the issues raised in this report.

For and on behalf of MAOS



David T. Mureriwa

Fellow of the Actuarial Society of South Africa

Fellow of the Faculty of Actuaries (UK)

(In my capacity as the Fund Actuary)

March 2026

NOTICE

Notice is hereby given that the 6th Annual General Meeting of the Zimbabwe Electricity Industry Pension Fund (ZEIPF) will be held both on the virtual platform (ZOOM) and physically in the Jacaranda Conference Room, at the Zimbabwe Electricity Supply Authority (ZESA) National Training Centre, 16676 Ganges Road, Belvedere South, Harare on Friday, the 5th of June 2026 at 0900hrs

AGENDA

Ordinary Business

1. Minutes of the Previous Meeting

To confirm and sign off the minutes of the 5th Annual General Meeting held on the 29th of August 2025.

2. Financial statements

To receive and adopt the audited financial statements for the year ended 31 December 2025 and the reports of the Board, Auditors, Asset Managers, Property Valuers and Actuaries thereon.

3. Board Members

Board remuneration

To ratify Board fees for the year ended 31 December 2025.
(Board fees are included in the annual report.)

4. External Auditors

To ratify the auditors' fees for the past financial year.

5. Any other business

To transact any other business as may be transacted at an Annual General Meeting.

Appointment of Proxy

In terms of the AGM Guidelines, members entitled to attend and vote at the meeting may appoint a proxy to attend, vote, and/or speak on their behalf. The proxy should be a member of the Fund. The proxy must be lodged at the Fund's registered office at least 48 hours before the time of the meeting.

Meeting details

The meeting link will be sent via SMS to members and pensioners five days before the meeting and can be requested from the Fund by emailing to smapiye@zesapf.co.zw or schitsaka@zesapf.co.zw.

By order of the Board



Bright Kondo
Secretary/Principal Officer

