



ENGINEERING INDUSTRIES PENSION FUND

(REG NO. 12/8/5040/2)

ANNUAL REPORT TO MEMBERS – 31 MARCH 2010

Dear Member,

The Board of Management has pleasure in presenting a report on the position of the Fund for the financial year ended 31 March 2010. The Engineering Industries Pension Fund is one of the largest Pension Funds in the country with total assets exceeding R48,1 billion (Forty eight thousand one hundred million rands) at market value.

The Fund provides pension and lump sum benefits on retirement, retrenchment/redundancy and withdrawals to members or to their beneficiaries on their death. Members automatically belong to the Metal and Engineering Industries Permanent Disability Scheme which provides a salary continuation benefit for members who have been declared permanently disabled by the Medical Advisors of the Scheme.

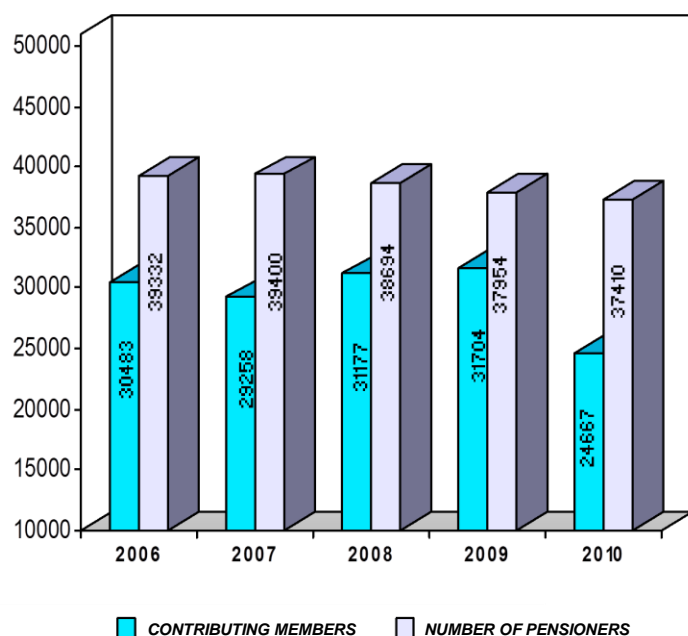
Note:

New employees in the Industry have a choice of participating in the Engineering Industries Pension Fund or in the Metal Industries Provident Fund. This option may be changed within the first 3 months of employment.

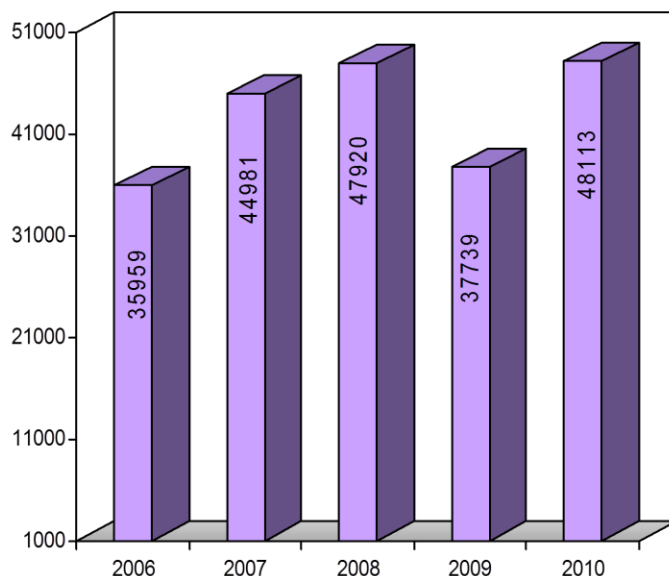
MEMBERSHIP

The composition of the Fund as at 31 March 2010 was 24 667 contributing members and 37 410 pensioners in receipt of monthly payments. (In 2009, there were 31 704 contributing members and 37 954 pensioners).

CONTRIBUTING MEMBERS AND PENSIONERS



ASSETS (MARKET VALUE) (R000,000'S)



FINANCIAL RESULTS AS AT 31 MARCH 2010

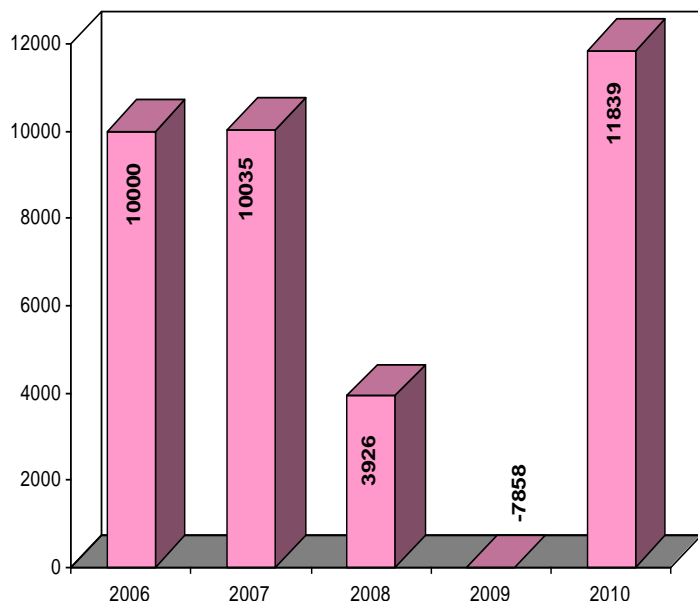
The audited financial position of the Fund as at 31 March 2010 is summarised as follows:

BALANCE SHEET AS AT 31 MARCH 2010		2010 R 000's
FIXED ASSETS & INVESTMENTS (AT MARKET VALUE)		49 690 748
CURRENT ASSETS		250 662
SUB TOTAL		49 941 410
<u>LESS:</u> CURRENT LIABILITIES		(1 828 144)
ACCUMULATED FUNDS	TOTAL	48 113 266
REVENUE AND EXPENDITURE - 1 APRIL 2009 TO 31 MARCH 2010		2010 R 000's
CONTRIBUTIONS RECEIVED		261 981
TRANSFERS RECEIVED		412
INVESTMENT INCOME		11 576 526
TOTAL INCOME		11 838 919
<u>LESS:</u> TOTAL ADMINISTRATION EXPENSES		(86 578)
BENEFITS PAID AND TRANSFERS OUT		(1 378 257)
NET EXPENDITURE		(1 464 835)
<u>ADD:</u> ACCUMULATED FUNDS AT BEGINNING OF YEAR		37 739 182
ACCUMULATED FUNDS AT END OF YEAR		48 113 266

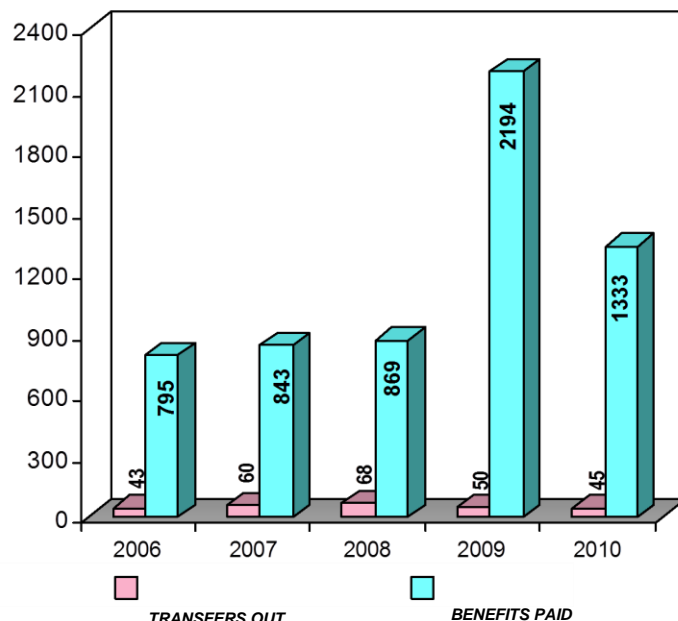
INCOME AND BENEFITS PAID

Contribution and Investment income for 2010 amounted to R11 839 million. Benefits paid and transfers out of the Fund totalled (R1 378 million). In terms of the Industrial Agreement, members contribute 6,6% of pensionable remuneration. Employers contribute at a rate of 6,6% of pensionable remuneration.

CONTRIBUTION AND INVESTMENT INCOME (R000,000'S)



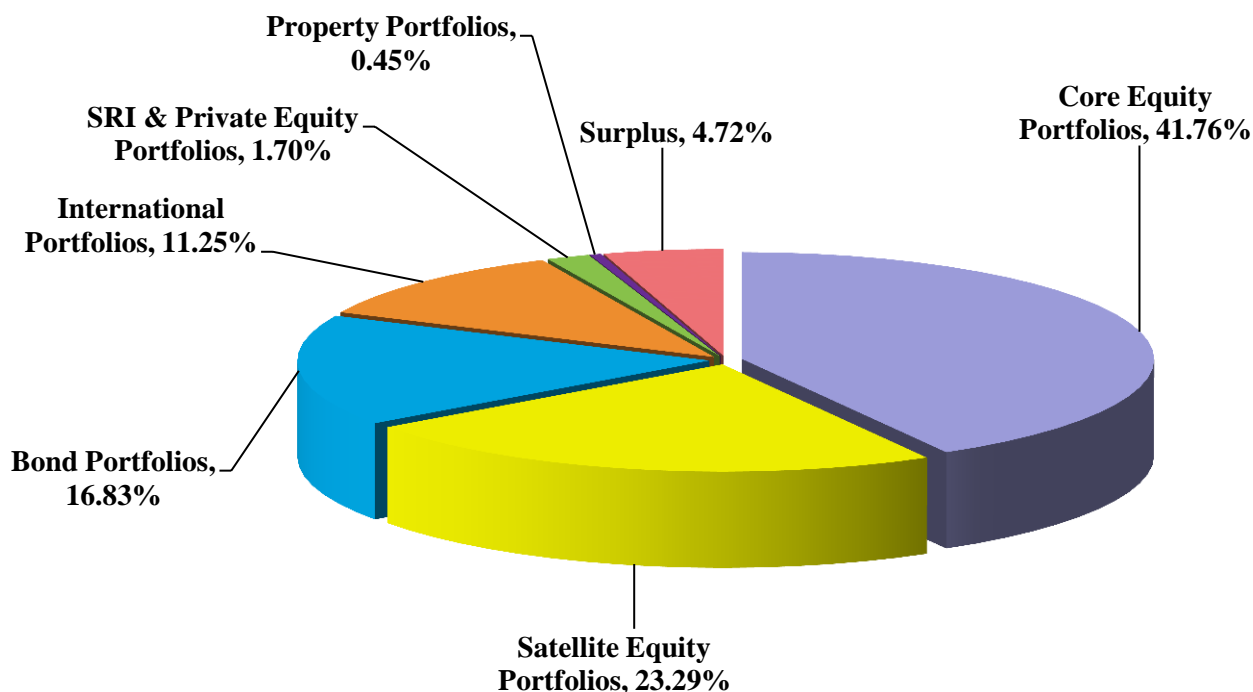
BENEFITS PAID AND TRANSFERS OUT (R000,000'S)



ASSETS

As at 31 March 2010 the total market value of the assets of the Fund amounted to R48 113 million.

These assets were held in the following types of investments (per market values as set out in the Audited Annual Financial Statements).



The Investments department of MIBFA managed 41.76 % of the investment portfolio, the balance being managed by external managers.

ACTUARIAL REVIEW AS AT 31 MARCH 2008

In terms of the Pension Funds Second Amendment Act of 2007, the Surplus Apportionment date (SAD) of the Fund is 31 March 2008.

The Trustees of the Fund are currently finalizing the Surplus Apportionment Scheme for submission to the Financial Services Board.

The result of the Actuarial Valuation of the Fund will be approved by Trustees when the Surplus Apportionment Scheme is finalized.

PENSION INCREASES

The Board of Management has as one of its primary objectives the protection of pensions from the impact of inflation. It has declared a 5% increase in pensions with effect from 1 July 2010.

It is the policy of the Board of Management that pensioner increases should at least match the inflation rate, where affordable.

The historic pension increases declared by the Fund since 1991 are summarised as follows:

PERIOD	ANNUAL INCREASE	BONUS	TOTAL INCREASE
01.07.1990 – 30.06.1991	10%	5%	15%
01.07.1991 – 30.06.1992	10%	-	10%
01.07.1992 – 30.06.1993	10%	-	10%
01.07.1993 – 30.06.1994	10%	10%	20%
01.07.1994 – 30.06.1995	10%	-	10%
01.07.1995 – 30.06.1996	9,75%	-	9,75%
01.07.1996 – 30.06.1997	11%	-	11%
01.07.1997 – 30.06.1998	10%	-	10%
01.07.1998 – 30.06.1999	7%	-	7%
01.07.1999 – 30.06.2000	8%	-	8%
01.07.2000 – 30.06.2001	7%	-	7%
01.07.2001 – 30.06.2002	9,5%	-	9,5%
01.07.2002 – 30.06.2003	7%	-	7%
01.07.2003 – 30.06.2004	7%	-	7%
01.07.2004 – 30.06.2005	7,5%	-	7,5%
01.07.2005 – 30.06.2006	7%	-	7%
01.07.2006 – 30.06.2007	9%	-	9%
01.07.2007 – 30.06.2008	10%	-	10%
01.07.2008 – 30.06.2009	10%	-	10%
01.07.2009 – 30.06.2010	0%	-	0%
01.07.2010 – 30.06.2011	5%	-	5%

FUND MANAGEMENT

The Management of the Fund is vested in a Board of Management, comprising an equal number of Employee and Employer representatives with the Chairman being appointed from either side on a two yearly rotational basis.

Employers are represented by the Steel and Engineering Industries Federation of South Africa (SEIFSA) while Employees are represented by the following Trade Unions:

Metal & Electrical Workers' Union of SA (MEWUSA)
Solidarity
National Union of Metal Workers' of SA (NUMSA)
United Association of South Africa (UASA)
South African Equity Workers Association (SAEWA)

The Fund is administered by: **Metal Industries Benefit Funds Administrators (MIBFA).**

The Fund's offices are located in Metal Industries House, 42 Anderson Street, Johannesburg.

Chairman: **Mr. C.A. Boyes**

The Fund's Auditors are: **Ernst & Young and Xabiso**

Principal Officer: **Mr. O. Gire**

The Funds Telephone number: **(011) 870-2000**

Website: **www.mibfa.co.za**

**ALL CLAIMS RELATED QUERIES
TO BE DIRECTED
TO MIBFA CALL CENTRE TEL NO. 0860102544**