

**ANNUAL FINANCIAL STATEMENTS
IN TERMS SECTION 15 OF THE PENSION FUNDS ACT NO 24, 1956
AS AMENDED (PENSION FUNDS ACT)**

NAME OF RETIREMENT FUND: CAPE JOINT PENSION FUND
 FINANCIAL SERVICES BOARD
 REGISTRATION NUMBER: 12/8/1278/2
 FOR THE PERIOD: 1 July 2012 TO 30 June 2013

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* Not subject to any engagement by an auditor

Name of Retirement Fund: Cape Joint Pension Fund

**SCHEDULE A
REGULATORY INFORMATION**

For the period ended 30 JUNE 2013

Registered office of the Fund

Postal address: PO Box 4300
Tygervalley
7536

Physical address: Belmont Office Park
Twist Street
Bellville
7536

Financial reporting periods

Current: 1 July 2012 to 30 June 2013
Previous: 1 July 2011 to 30 June 2012

Board of Fund

Full name	E-mail address	Capacity*	Date appointed or re-appointed date (for all Board members)	Date resigned (for all Board members)
Herman Francois Botha	Hbotha@mosselbaymun.co.za	M + C	22-05-2009	
Johannes David Brand van der Merwe	janvdmpf@gmail.com	M	27-01-2012	
Michelle van Zyl	mvanzyl@solplaatje.org.za	M	22-05-2009	
Izak du Toit	izak.duToit@capetown.gov.za	M	26-04-2013	
Petrus Jakobus du Toit	piet.du_toit@capetown.gov.za	M	25-05-2007	17-05-2013
Jan Adriaan Hendrik van den Berg	ivandenberg.pf@gmail.com	M	26-04-2013	
Jonathan Lawack	jlawack@mandelametro.gov.za	E	25-08-2011	
Jonathan David Venter	dave.venter@capetown.gov.za	E	19-05-2011	
Wouter Ryk Meiring	wmeiring@bvm.gov.za	E	27-06-2011	
Michael Josias De Kock De Waal	mdekdeaal@cybertrade.co.za	M	08-01-2013	
Ockert Bothma	bothma.o@telkomsa.net	M	27-01-2012	03-11-2012
Marthinus Jacobus van den Berg	thinus@capejoint.co.za	M	27-01-2012	05-04-2013
Daniel Lambrechts Carstens	danie@drakenstein.gov.za	M	16-05-2013	
Pieter Willem Esterhuizen	piet@wilgerboskdoof.com	M	26-04-2013	

* M = member elected, C = chairperson, I = independent, A = alternate, E = employer appointed, R = representative (section 26(2) appointment), S = sponsor appointed

Governance note: schedule of meetings held by the Board of Fund in terms of the Rules of the Fund

Meeting date	Place of meeting	Quorum (yes/no)
27-Jul-12	Verso Financial Services: Belmont Office Park, Twist Street, Bellville, 7535	Yes
17-Aug-12	Verso Financial Services: Belmont Office Park, Twist Street, Bellville, 7535	Yes
28-Sep-12	Verso Financial Services: Belmont Office Park, Twist Street, Bellville, 7535	Yes
30-Nov-12	Verso Financial Services: Belmont Office Park, Twist Street, Bellville, 7535	Yes
25-Jan-13	Verso Financial Services: Belmont Office Park, Twist Street, Bellville, 7535	Yes
08-Mar-13	Verso Financial Services: Belmont Office Park, Twist Street, Bellville, 7535	Yes
16-May-13	Verso Financial Services: Belmont Office Park, Twist Street, Bellville, 7535	Yes
21-Jun-13	Verso Financial Services: Belmont Office Park, Twist Street, Bellville, 7535	Yes

Name of Retirement Fund: Cape Joint Pension Fund

REGULATORY INFORMATION - Continued
For the period ended 30 JUNE 2013

Fund Officers

	Principal Officer	Monitoring person*
Full name	Jakobus van Aardt Booyens	Jakobus van Aardt Booyens
Postal address	PO Box 4300, Tygervalley, 7536	PO Box 4300, Tygervalley, 7536
Physical address	Belmont Office Park, Twist Street, Bellville, 7535	Belmont Office Park, Twist Street, Bellville, 7535
Telephone number	021-943 5300	021-943 5300
E-mail address	kobusbooyens@capejoint.co.za	kobusbooyens@capejoint.co.za

*(In terms of Section 13A of the Pension Funds Act)

Professional service providers

(Indicate the date of appointment/resignation of any service provider during the reporting period)

	Actuary/Valuator	Auditor
Full name	Momentum: Sean Neethling	Rademeyer Wesson
Postal address	PO Box 2212, Bellville, 7535	PO Box 5700, Tygervalley, 7536
Physical address	Parc du Cap, Mispel Road, Bellville, 7530	Tygerforum A, 2nd Floor, 53 Willie van Schoor Avenue, Bellville, 7530
Telephone number	021-940 4008	021-914 8880
E-mail address	sean.neethling@momentum.co.za	info@radwes.co.za

	Benefit administrator	Fund consultants
Full name	Verso Financial Services (Pty) Ltd	Simeka Consultants & Actuaries
Postal address	PO Box 4300, Tygervalley, 7536	Po Box 350, Sanlamhof, 7532
Physical address	Belmont Office Park, Twist Street, Bellville, 7535	1st Floor, Simeka House, The Vineyards Office Estate, 99 Jip De Jager, Bellville, 7530
Telephone number	021-943 5300	021-912 3300
E-mail address	raymond@verso.za.com	awie.deswardt@simekaconsult.co.za

Benefit administrator's registration number in terms of Section 13B:	24/292
Fund consultant's FAIS registration number:	13900

Investment administrators	
Full name	Coronation Asset Management (Pty) Ltd
Postal address	PO Box 44684, Claremont, 7735
Physical address	7th Floor, Montclare Place, c/o Campground and Main Roads, Claremont, 7708
Telephone number	021-680 2219
E-mail address	Nkotzee@coronation.co.za
Investment administrator's FAIS registration number :	548

Investment administrators	
Full name	Momentum Asset Management (Pty) Ltd
Postal address	Private Bag 9959, Sandton, 2146
Physical address	7 Merchant Place, Fredman Drive, Sandton, 2196
Telephone number	011-505 1274
E-mail address	abigail.belani@momentum.co.za
Investment administrator's FAIS registration number :	623

Investment administrators	
Full name	Investec Asset Management (Pty) Ltd
Postal address	PO Box 1655, Cape Town, 8000
Physical address	36 Hans Strijdom Avenue, Cape Town, 8000
Telephone number	021-416 1781
E-mail address	jacques.ackerman@investecmail.com
Investment administrator's FAIS registration number :	587

Name of Retirement Fund: Cape Joint Pension Fund

REGULATORY INFORMATION - Continued
For the period ended 30 JUNE 2013

Investment administrators	
Full name	Colourfield Liability Solutions (Pty) Ltd
Postal address	Unit 16b, 3rd Floor, 3 Melrose Arch Boulevard, Melrose Arch, Johannesburg, 2076
Physical address	Unit 16b, 3rd Floor, 3 Melrose Arch Boulevard, Melrose Arch, Johannesburg, 2076
Telephone number	0861 007656
E-mail address	costa@colourfield.co.za
Investment administrator's FAIS registration number :	35113

Investment administrators	
Full name	Futuregrowth (Pty) Ltd
Postal address	Private Bag X6, Newlands, 7725
Physical address	3rd Floor, Great Westerford, Main Road, Rondebosch, 7700
Telephone number	021-659 5465
E-mail address	BandlaM@futuregrowth.co.za
Investment administrator's FAIS registration number :	520

Investment administrators	
Full name	Prudential Portfolio Managers SA
Postal address	PO Box 44813, Claremont, 7735
Physical address	7th Floor Protea Place, 40 Dreyer Street, Claremont, 7735
Telephone number	021-670 5072
E-mail address	Germaine.America@prudential.co.za
Investment administrator's FAIS registration number :	615

Investment administrators	
Full name	African Infrastructure Investment Managers
Postal address	PO Box 23777, Claremont, 7735
Physical address	Ground Floor, Colinton House, 1 Oakdale Road, Newlands, 7700
Telephone number	021-670 1238
E-mail address	MForbes@omigsa.com
Investment administrator's FAIS registration number :	4307

Investment administrators	
Full name	Brait SA Ltd
Postal address	Postnet Suite 80, Private Bag X1005, Claremont, 7735
Physical address	2nd Floor, The Terraces, 25 Protea Road, Claremont, 7708
Telephone number	021-673 7814
E-mail address	Dpape@brait.com
Investment administrator's FAIS registration number :	820
Terminated	Jul-12

Investment administrators	
Full name	Peregrine Equities (Pty) Ltd
Postal address	Simeka House, The Vineyards Office Estate, 99 Jip De Jager, Bellville, 7530
Physical address	Simeka House, The Vineyards Office Estate, 99 Jip De Jager, Bellville, 7530
Telephone number	011-722 7570
E-mail address	EdruO@peregrine.co.za
Investment administrator's FAIS registration number :	18826
Appointed	Dec-12

Investment administrators	
Full name	JHI
Postal address	PO Box 489, Sanlamhof, 7532
Physical address	1 st floor, Willowbridge Lifestyle Centre, 39 Carl Cronje Drive, Tygervalley, 7530
Telephone number	021-943 1019
E-mail address	genie.scholl@jhi.co.za
Investment administrator's FAIS registration number :	n/a

Name of Retirement Fund: Cape Joint Pension Fund

REGULATORY INFORMATION - Continued
For the period ended 30 JUNE 2013

Investment administrators	
Full name	Tilney Asset Management Int Ltd (previously Riverstone Distribution Services)
Postal address	Block F, The Terraces, Steenberg Office Park, Tokai, 7945
Physical address	Block F, The Terraces, Steenberg Office Park, Tokai, 7945
Telephone number	083 3035577
E-mail address	mark@rdservices.co.za
Investment administrator's FAIS registration number:	n/a

Investment administrators	
Full name	TriAlpha Asset Management Ltd
Postal address	PO Box 87353, Houghton, 2041
Physical address	Ground Floor, Block B, Riviera Road Office Park, 6-10 Riveria Road, Killarney, 2193
Telephone number	011-274 5200
E-mail address	Stav.Vekiarellis@acpi.com
Investment administrator's FAIS registration number:	28090

Investment administrators	
Full name	Aberdeen Asset Management
Postal address	Bow Bells House, 1 Bread Street, London, EC4M 9HH
Physical address	Bow Bells House, 1 Bread Street, London, EC4M 9HH
Telephone number	09 440 207 463 6456
E-mail address	CFCM@aberdeen-asset.com
Investment administrator's FAIS registration number:	43675

Investment administrators	
Full name	All Seasons Capital Management Ltd
Postal address	PO Box 4188, Tygervalley, 7536
Physical address	3 Heuwelkruin Close, Bellville, 7530
Telephone number	021-970 2613
E-mail address	EAuret@edge.co.za
Investment administrator's FAIS registration number:	41387

	Risk insurer	Custodian and nominees
Full name	Sanlam	ABSA
Postal address	PO Box 1, Sanlamhof, 7532	Private Bag X10056, Sandton, 2146
Physical address	1 Strand Street, Bellville, 7530	Absa Capital, 15 Alice Lane, Sandton, 2196
Telephone number	021 - 947 4316	011-506 7826
E-mail address	Yvette.Cornelissen@sanlam.co.za	margaret.dacruz@absacapital.com
FSP approval number:	2759	292

	Risk insurer	Investment advisors
Full name	Momentum	GraySwan Financial Services (Pty) Ltd
Postal address	PO Box 2212, Bellville, 7535	Private Bag X34, Suite 184, Somerset West, 7129
Physical address	Parc du Cap, Mispel Street, Bellville, 7530	2nd Floor, North Wing, Parc du Links, 7 Niblick Way, Somerset West, 7129
Telephone number	021 - 940 5397	021- 852 9092
E-mail address	nschilder@metropolitan.co.za	duncan@grayswan.co.za
FSP approval number:	3780	42290

Name of Retirement Fund:

Cape Joint Pension Fund

REGULATORY INFORMATION - Continued

For the period ended

30 JUNE 2013

Participating employers

The following employers participate in the Fund in terms of the Rules of the Fund:

Alfred Nzo District Municipality	Langeberg Municipality
Amatole District Municipality	Lukhanji Municipality
Beaufort West Municipality	Maitland Cottage Home
Bergvriër Municipality	Makana Municipality
Bitou Municipality	Matzikama Municipality
Blue Crane Route Municipality	Metropolitan Disability Claims
Breede Vallei Municipality	Mnquma Municipality
Buffalo City Municipality	Mosselbay Municipality
Camdeboo Municipality	Namakwa District Municipality
Cederberg Municipality	Nelson Mandela Bay Metropolitan Municipality
Central Karoo District Municipality	Ndlambe Municipality
Chris Hani District Municipality	Nxuba Municipality (ceased 01/01/2013)
City of Cape Town	Naledi Municipality
Drakenstein Municipality	Nama Khoi Municipality
Eden District Municipality	OR Tambo District Municipality
Engcobo Municipality	Oudtshoorn Municipality
Emthanjeni Municipality	Overberg District Municipality
Gariep Municipality	Overstrand Municipality
George Municipality	Prince Albert Municipality
Hantam Municipality (ceased 01/12/2012)	Phokwane Municipality
Hessequa Municipality	Renosterberg Municipality
Inxuba Yethemba Municipality	Saldanha Bay Municipality
John Taolo Gaetsewe District Municipality	Sarah Fox Childrens Home
Kaapse Wynland District Municipality	Sol Plaatje Municipality
Kai!Garib Municipality	Stellenbosch Municipality
Kannaland Municipality	Sundays River Valley Municipality
Kareeberg Municipality	Swartland Municipality
Karoo hoogland Municipality	Theewaterskloof Municipality
Kgatelopele Municipality	Tsantsabane Municipality
//Khara Hais Municipality	West Cost district Municipality
Knysna Municipality	Witzenberg Municipality
Kouga Municipality	

Name of Retirement Fund: Cape Joint Pension Fund

SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND
For the period ended 30 JUNE 2013

Responsibilities

The Board of the Fund hereby certify to the best of their knowledge that, during the period under review, in the execution of their duties they:

- ensured that proper registers, books and records of the operations of the Fund were kept, inclusive of proper minutes of all resolutions passed by the Board of Fund;
- ensured that proper internal control systems were employed by or on behalf of the Fund;
- ensured that adequate and appropriate information was communicated to the members of the Fund, informing them of their rights, benefits and duties in terms of the Rules of the Fund;
- took all reasonable steps to ensure that contributions were paid timeously to the Fund or reported where necessary in accordance with Section 13A and regulation 33 of the Pension Funds Act;
- obtained expert advice on matters where they lacked sufficient expertise;
- ensured that the rules and the operation and administration of the Fund complied with the Pension Funds Act and all applicable legislation;
- ensured that fidelity cover was maintained and that this cover was deemed adequate and in compliance with the Rules of the Fund; and
- ensured that investments of the Fund were implemented and maintained in accordance with the Fund's investment strategy.

Approval of the financial statements

The financial statements of Cape Joint Pension Fund are the responsibility of the Board of Fund. The Board of Fund fulfils this responsibility by ensuring the implementation and maintenance of accounting systems and practices adequately supported by internal financial controls. These controls, which are implemented and executed by the Fund and/or its administrator, provide reasonable assurance that:

- the Fund's assets are safeguarded;
- transactions are properly authorized and executed; and
- the financial records are reliable.

The annual financial statements set out on pages 19-36 have been prepared for regulatory purposes in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the Rules of the Fund and the Pension Funds Act.

These financial statements have been reported on by the independent auditor, Rademeyer Wesson, who was given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board of the Fund believes that all representations made to the independent auditors in the management representation letter during their audit were valid and appropriate. The report of the Independent auditor is presented on page 10.

Notwithstanding the above-mentioned information, the Board of Fund wish to draw attention to the following:

Specific instances of non-compliances	Remedial action taken

Name of Retirement Fund: Cape Joint Pension Fund

STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND - Continued

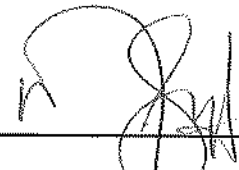
For the period ended 30 JUNE 2013

These financial statements:

- were approved by the Board of Fund on 22 November 2013;
- are to the best of the Board members knowledge and belief confirmed to be complete and correct;
- fairly represented the net assets of the Fund at 30 June 2013 as well as the results of its activities for the period then ended;
- are signed on behalf of the Board of Fund by:



CHAIRPERSON
HF Botha
22 November 2013



BOARD MEMBER
M Van Zyl
22 November 2013



BOARD MEMBER
WR Meiring
22 November 2013

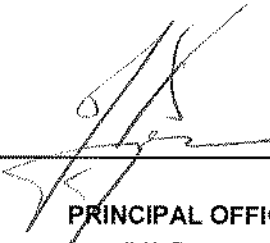
Name of Retirement Fund:

Cape Joint Pension Fund

SCHEDULE C

STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER

I confirm that for the period under review the Cape Joint Pension Fund has timeously submitted all regulatory and other returns, statements, documents and any other information as required in terms of the Pension Funds Act and to the best of my knowledge all applicable legislation except for the following (where applicable):



PRINCIPAL OFFICER
JVA Booyens
22 November 2013



RADEMEYER WESSON

Geuktrooleerde Rekenmeesters (SA) - Chartered Accountants (SA)

Name of Retirement Fund: Cape Joint Pension Fund

Reference number : 12/8/1278/2

SCHEDULE D

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF CAPE JOINT PENSION FUND AND THE REGISTRAR OF PENSION FUNDS

We have audited the annual financial statements of the Cape Joint Pension Fund which comprise the statement of net assets and funds as at 30 June 2013, the statement of changes in net assets and funds for the year then ended, and the notes to the financial statements, which include the principal accounting policies and other explanatory notes, as set out on pages 19 to 36.

Board of Trustees' Responsibility for the Financial Statements

The board of trustees is responsible for the preparation and presentation of these financial statements for regulatory purposes, in accordance with the Regulatory Reporting Requirements for Retirement Funds In South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion the financial statements of the Cape Joint Pension Fund for the year ended 30 June 2013, have been prepared, in all material respects, in accordance with the basis of preparation applicable to retirement funds in South Africa as set out in the notes to the financial statements.

Emphasis of matter

Without qualifying our opinion, we draw attention to the fact that the defined benefit section of the fund had an overall funding level of 99.7% and the defined contribution section of the fund a funding level of 99.8% as per the draft statutory actuarial valuation performed on 30 June 2013. Also refer to note 4 in the Report of the Board of Fund and Schedule HB in this regard.

Other Matters - Restriction on use

The financial statements are prepared for regulatory purposes in accordance with the basis of preparation indicated above. Consequently, the financial statements and related auditor's report may not be suitable for another purpose.

Report on Other Legal and Regulatory Requirements

We are also required by Section 15 and Regulation 28 of the Pension Fund Act of South Africa to perform certain agreed upon procedures and an assurance engagement and report our findings and conclusions. Our reports are presented on pages 40 to 44 and 69 to 70.

Rademeyer Wesson
Chartered Accountants (S.A.)
Registered Auditors
Per: MJ Strydom
Partner

22 November 2013
TYGER VALLEY

T (021) 914 8880 | F (021) 914 8881

E info@radwes.co.za | W www.rademeyerwesson.co.za

A Tygerforum A | 2de Vloer / 2nd Floor | 53 Willie van Schoor Rylaan / Avenue | Tygervallei / Tyger Valley | 7530

P Posbus / PO Box 5700 | Tygervallei / Tyger Valley | 7536

Verreëde Partners: Derick Wesson - Retief Rademeyer - Marius Strydom - Jan Kotze - Minette Louw - Marisa Oosthuizen

Name of Retirement Fund: Cape Joint Pension Fund

**SCHEDULE E
REPORT OF THE BOARD OF FUND**

For the period ended 30 JUNE 2013

1. DESCRIPTION OF FUND

1.1. Type of fund

In terms of section 1 of the Income Tax Act, 1962 the Fund is classified as a paragraph (a) Pension Fund. The Fund is a hybrid fund.

1.2. Benefits

1.2.1. Summary in terms of the Rules of the Fund:

Defined Benefit Section:

- (a) On resignation a member is entitled to receive a lumpsum benefit equal to the amount of his contributions to the Fund together with interest thereon calculated at five per cent per annum of such amount for each complete year of his continuous service plus a top-up to the Minimum Individual Reserve (if applicable).
- (b) On death, retirement or ill-health retirement a member/dependant is entitled to a lump sum and/or a monthly pension. (For the calculation of these benefits you are referred to Sections 22 to 32 of the Rules of the Fund).

Defined Contribution Section:

- (a) On resignation and retirement a member is entitled to the transfer in value plus subsequent employer and employee contributions towards his/her retirement funding plus growth.
- (b) On death a member/dependant is entitled to a lump sum plus employer and employee contributions towards his/her retirement funding plus growth.
- (c) The disability benefit is covered by several options being either a lump sum plus member share or member share only or a monthly income. (For the calculation of these benefits you are referred to Sections B7 of the Rules of the Fund).

1.2.2. Unclaimed benefits

1.2.2.1. Strategy of the Board of Fund adopted towards unclaimed benefits: Unclaimed benefits, prior to 01/03/2009 older than 2 years will remain in the Fund until the members have been traced. Effective 01/03/2009 all unclaimed benefits older than 2 years, will be transferred to an Unclaimed Benefit Fund.

1.2.2.2. In respect of unclaimed, complete records, as prescribed are maintained as from 1 July 2002.

1.2.3. Beneficiary benefits

Strategy of Board of Fund adopted towards beneficiary benefits:

Beneficiary payments are made in terms of Rule B10.2 of the Fund.

1.3. Contributions

1.3.1.1. Defined contribution members contribute at a rate of 7.5% (contract workers) and 9% (permanent employees) of pensionable salary. Defined benefit members contribute at a rate of 9% only of pensionable salary.

1.3.1.2. Participating employers contribute at a rate of 18% of pensionable salary. Effective 01/02/2012, the participating employers contribute at a rate of 23.06% of pensionable salary towards the defined benefit members.

1.3.1.3. Contribution holiday: Not applicable

Name of Retirement Fund: Cape Joint Pension Fund

REPORT OF THE BOARD OF FUND - Continued

For the period ended 30 JUNE 2013

1.4. Rules/ amendments

1.4.1. Amendments

Rule amendment no.	Motivation and description of rule amendment	Date of Board of Fund's resolution	Effective date	Date registered by the Financial Service Board
20	To allow for reduction in continuous service without impacting on the Optimal Retirement Age and Bonus Years credited prior to the reduction due to any deductions from a benefit. To provide for Defined Benefit Investment, Pensioner Expense and Solvency Reserve. To provide for the future amalgamation of the Fund. To convert the defined benefit section to a defined contribution section. To allow Defined Contribution Members to make their own investment choices.	17-05-2012	01-07-2012	The rule amendment has been withdrawn

1.4.2. Revised rules / Consolidated rules:

Not applicable.

1.5. Reserves and specified accounts established in terms of the Rules of the Fund

1.5.1. Reserves

Reserve Account

The Reserve Account provides for contingencies and obligations of the Fund not covered by the Share Account. The level of the Reserve Account is determined by the Board of Fund after consultation with the Actuary. The Reserve Account includes:

- (a) Data and contingency reserve
This reserve allows for strains caused by erroneous data and other unforeseen contingencies and to pay expenses and penalties (excluding late payment interest and penalties payable by the Employer).
- (b) Investment reserve
This reserve is maintained to cover fluctuations in the market value of the underlying assets of the Fund and to provide for late payment interest, in terms of RULE B9.3(3) and section 13A of the Act. The level of this reserve is determined by the Board of Fund after consultation with the actuary.
- (c) Risk reserve
This reserve is established to provide for receipt and payment of the Insured Risk Benefits obligations of the Fund not covered by the share account, the investment reserve account and the data and contingency reserve account, and represents a record of all monies of the Fund not allocated to these accounts.

1.5.2. Accounts

(a) Share Account

The Share Account represents the accumulated credit values of all active members and deferred pensioners of the Fund.

2. INVESTMENTS

2.1. Investment strategy

The Board of Fund have formulated an investment strategy and policy (the Investment Policy Statement, or "IPS") that complies

REPORT OF THE BOARD OF FUND - Continued

For the period ended 30 JUNE 2013

with the provisions of Regulation 28 of the Pension Funds Act. In terms of this strategy the investments are managed according to the following principles.

- 2.1.1. General: The Trustees have a fiduciary duty to invest the Fund's assets in a responsible and prudent manner to the benefit of its Members. An Investment Committee, appointed by the Board of Fund, considers and recommends to the Board on matters relating to the administering and management of the Fund's assets in line with the Fund's investment policy.

Active Members (Defined Benefit)

The Board has agreed that the primary financial objectives of the Active Defined Benefit Members' portfolio are:

- to ensure that the full benefits in terms of the rules of the Fund can be paid as and when they fall due;
- to provide a competitive long-term real return taking into account appropriate and acceptable risk levels; and
- to remain financially sound at all times.

Active Members (Defined Contribution)

The Board has agreed that the primary financial objectives of the Active Defined Contribution Members' portfolio are:

- to provide a competitive long-term real return taking into account appropriate and acceptable risk levels; and
- to remain financially sound at all times.

Pensioners

In the light of the Pension Funds Act no. 24 of 1956 (as amended), the Trustees must decide on an annual pension increase policy, expressed as a target percentage of CPI, and communicate it to its Members.

The Board of Fund resolved that the future pension increase policy of the Fund be as follows:

- annually perform a review to target a pension increase of 60% of CPI effective 1 January but based on CPI to the preceding 30 June (subject to affordability, as determined by the Actuary having regard to investment return and the minimum increases specified in the Rules);
- every three years perform a catch-up exercise to increase pensions to at least 100% of CPI since the date of retirement, subject to the value of the notional pensioner account and affordability.

The principal long-term investment objective is to optimize investment returns whilst taking into account the level of acceptable risk and liquidity in relation to all Members' benefit liabilities.

DIVERSIFICATION: Diversification is fundamental to risk minimization and it is therefore the fiduciary duty of Trustees to diversify the investments of the Fund.

REAL RETURN OBJECTIVES:

Active Members (Defined Benefit):

The return objective of the Active Defined Benefit Members is to earn a long-term positive real return of CPI+4% per annum. This long-term return is, in the Actuary's considered opinion, the minimum required to satisfy Members' reasonable benefit expectations with reference to past returns awarded by the Trustees.

Active Members (Defined Contribution)

The return objective of the Active Defined Contribution Members is to earn a long-term positive real return of CPI+6% per annum.

Pensioners

In order to maintain a stable pension increase in terms of the Rules, the Trustees need to endeavour to ensure that the returns on the Pensioners' assets are greater than the Post Retirement Interest (PRI) rate assumption. These factors are to be monitored and reported on annually by the Fund's Actuary.

- 2.1.2. Individual member choice: The Fund currently does not offer individual member choice to members.

Name of Retirement Fund: Cape Joint Pension Fund

REPORT OF THE BOARD OF FUNO - Continued

For the period ended 30 JUNE 2013

- 2.1.3. Unclaimed benefits: There is no different investment strategy for unclaimed benefits.
- 2.1.4. Surplus apportionment allocations: Surplus distribution process completed and approved in terms of Section 15 B(9) of the Pension Funds Act.
- 2.1.5. Reserve accounts: There are no Reserves in the Defined Benefit Section of the Fund. In the Defined Contribution Section there is an investment reserve. At present there is no special investment strategy in place.
- 2.1.6. Settlement income: not applicable
- 2.1.7. Derivative Instruments: The Board of Fund utilizes derivative instruments as part of their investment strategy. The Board of Fund ensures that the following have been complied with:
- (a) The exposure of the asset class does not exceed the maximum percentages as prescribed to the underlying asset as set out in Regulation 28.
 - (b) The investment mandate is in place and reviewed by the Board of Fund on a regular basis to ensure compliance with the requirements as prescribed by Regulation 28 and the relevant Notice.
 - (c) The investments are monitored for compliance with the provisions of Regulation 28 and adherence to the investment mandate.
- 2.1.8. Hedge funds: The Board of Fund utilizes hedge funds as part of their investment strategy. The Board of Fund ensures that the following have been complied with:
- (a) The exposure of the asset class does not exceed the maximum percentages as prescribed to the underlying asset as set out in Regulation 28.
 - (b) The investment mandate is in place and reviewed by the Board of Fund on a regular basis to ensure compliance with the requirements as prescribed by Regulation 28 and the relevant Notice.
 - (c) The investments are monitored for compliance with the provisions of Regulation 28 and adherence to the investment mandate.
- 2.1.9. Private Equity Funds: The Board of Fund utilizes private equity Funds as part of their investment strategy. The Board of Fund ensures that the following have been complied with:
- (a) The exposure of the asset class does not exceed the maximum percentages as prescribed to the underlying asset as set out in Regulation 28.
 - (b) The investment mandate is in place and reviewed by the Board of Fund on a regular basis to ensure compliance with the requirements as prescribed by Regulation 28 and the relevant Notice.
 - (c) The investments are monitored for compliance with the provisions of Regulation 28 and adherence to the investment mandate.
- 2.1.10. Securities Lending Transactions: The Board of Fund does not utilize securities lending transactions as part of their investment strategy.

2.2. Management and performance of investments

The performance of the various investment managers will be measured against specific benchmarks for the purpose of attribution analysis and overall value add. The Fund's Investment Consultant advises the Investment Committee on the most appropriate benchmarks to use for each investment manager as well as for the Fund as a whole. The benchmark of the asset classes (equities, fixed interest, property, alternative strategies and others) is reviewed at least annually. Each Investment manager is expected to choose an appropriate asset mix for multi-strategy absolute return or multi asset class mandates. Investment results will be calculated on a monthly basis and aggregated in order to consider performance over longer periods. In addition, it is also important for the investment managers, to add value on a risk-adjusted basis. Various risk measurement tools would be used to analyse the risks taken by the investment managers to ensure that they do not take undue risks in striving to achieve the Fund's performance target.

REPORT OF THE BOARD OF FUNDO - Continued

For the period ended 30 JUNE 2013

Risk analysis includes an array of risk/return measurements, amongst which the following will be looked at a continual basis:

- Standard deviation: The dispersion of returns around the mean/average return. Standard deviation is used to measure the risk of the returns;
- Downside risk: The standard deviation of only the negative returns;
- Tracking error: The standard deviation of the difference in return between an active investment portfolio and its benchmark;
- Excess return: The average return in excess of the risk free rate;
- Sharpe ratio: Excess return divided by the standard deviation of returns. This measures the excess return earned for every unit of additional risk taken;
- Information ratio: Excess return divided by the tracking error. This ratio measures whether you are compensated for additional risk taken more than the average market risk;
- Efficiency ratio: Average return divided by the average risk.

The Board of Fund will, on a monthly basis, monitor the variation in the returns achieved by the various investment managers as well as the Fund as a whole. The Fund's IPS and combination of investment managers will be continuously monitored to ensure that the Trustees are comfortable with the potential fluctuations in performance.

The performance of the investment managers will be monitored over rolling 1, 3 and 5-year periods with specific focus on rolling 3-year periods. However, it is recognized that over short periods such as one year there may be a higher volatility of returns. The Trustees recognize that if the Fund performs consistently above its benchmark, then it will be in a position to achieve its long-term objectives.

Total value of investments managed by:	2013	2012
Coronation Asset Management (Pty) Ltd	996 307 209	700 775 027
Momentum Asset Management (Pty) Ltd	1 947 968	133 008 814
Investec Asset Management (Pty) Ltd	669 107 252	769 290 598
Futuregrowth (Pty) Ltd	155 523 808	160 646 680
African Infrastructure Investment Managers	25 454 035	25 261 911
Brait SA Ltd	0	155 899 300
Prudential Portfolio Managers SA	693 799 982	506 906 430
Colourfield Liability Solutions (Pty) Ltd	372 571 571	304 486 486
Peregrine Equities (Pty) Ltd	20 300 950	0
All Seasons Capital Management Ltd	1 866 730	2 387 020
Tilney Asset Management Int Ltd (previously Riverstone Distribution Services)	3 221 758	6 557 911
TriAlpha Asset Management Ltd	1 459 703	2 182 005
Aberdeen Asset Management	412 229 769	297 518 785
JHI	345 125 177	222 823 625
Direct investments managed by the Fund	12 526 359	12 562 149
Total	3 711 432 271	3 300 306 739

3. MEMBERSHIP

	Active members	Deferred pensioners	Pensioners	Beneficiaries	Unclaimed Benefits
Numbers at the beginning of the period 01/07/2012	1860	43	4890	0	0
Prior year adjustments	-2	-1	-13	0	0
Additions	30	0	90	0	0
Transfers in	0	0	0	0	0
Transfers out	0	0	0	0	0
Withdrawals	-53	0	-300	0	0
Retirements	-69	0	0	0	0
Retrenchments	0	0	0	0	0
Deaths	-13	0	0	0	0
Transfers (from) / to deferred pensioners	0	0	0	0	0
Unclaimed benefits paid	0	0	0	0	0
Numbers at the end of the period 30/06/2013	1753	42	4667	0	0

Name of Retirement Fund: Cape Joint Pension Fund

REPDRT OF THE BOARD OF FUND - Continued

For the period ended 30 JUNE 2013

Adjustments:

The adjustments on the active members and deferred pensioners membership relates to late exits. The adjustments on the pensioners membership relates to 11 pensioners whom passed away during June 2012, 1 study certificate received after June 2012, therefore re-instating the pensioner and 3 children that turned 21, de-activating these pensioners.

4. ACTUARIAL VALUATIONS

The financial statements summarise the transactions and net assets of the Fund. The financial statements do not take account of liabilities to pay pensions and other benefits in the future. In accordance with the Rules of the Fund, the actuarial position of the Fund, which does take account of such liabilities, is examined and reported on by the actuary at intervals not exceeding three years. A draft statutory actuarial valuation was performed as at 30/06/2013 and the Valuator reported that the DC Section of the Fund was underfunded by 0.2%. The Fund declared a return of 24.42% p.a. on Members' Shares in the DC Section. The Board of Fund allocated -0.2% to the Members' Shares of the DC Section to clear the balance in the Investment Reserve. After taking the allocation of -0.2% into account, the DC Section of the Fund was in a sound financial condition. The DB active members of the Fund are underfunded by R10.03 million with a funding level of 99.2%. The overall funding level of the DB Section was 99.7%. The actuary recommends that the Local Authority contribution rate is increased from 23.06% to 26.77% of salaries with effect from 1 July 2014.

5. SURPLUS APPORTIONMENT

The surplus apportionment date of the Fund is 30 June 2003. The Fund has submitted a nil return as there is no surplus to be distributed. The nil return was submitted to the Registrar and noted on 25 November 2005.

6. HOUSING FACILITIES

The fund rules provide for the granting of housing loan guarantees

The Fund has granted housing loan guarantees in terms of rule B10.6 of the Fund and Section 19(5) of the Pension Funds Act. Each guarantee is secured by the Fund credit of the respective member. The loan is limited to 60% of the respective member's fund credit.

7. INVESTMENT IN PARTICIPATING EMPLOYERS

Investments in terms of section 19(4A) of the Act

Details of investments held in participating employers are provided in note 2.2 to the financial statements.

8. SIGNIFICANT MATTERS

8.1 Restructuring of the DB Section

Although not directly impacting on the financial results of the Fund at this point, the impending closure of the DB Section and the transfer of DB members to the DC Section, will have a bearing on important financial matters, especially on the handling of the Rule 17.5 claim and the Rule 20.2 employer contribution increase.

8.2 Recovery of investment return shortfall on the Defined Benefit Section of the Fund (Rule 17.5)

Rule 17(5) provides that should the investment return on the DB Section of the Fund be lower than 5.5% in a financial year, then the local authorities are required to make up the shortfall in proportion to their contributions for that year. The statutory actuarial valuation of the Fund as at 30 June 2009 determined that the investment return for the DB Section for the year ended 30 June 2009 was minus 0.94% and accordingly that the shortfall in relation to the required 5.5% return was R195,960,725. The shortfall was apportioned to individual local authorities and the calculations reviewed by the valuator. Local authorities were advised of the final capital amounts on 15 September 2010 and that interest would be payable on unpaid amounts at 15.5% per year. The recovery of the investment return shortfall was accrued for in full since 30 June 2010. Refer to note 12 to the financial statements.

As at the date of this report, only 34 local authorities paid their share or a portion of their share of the shortfall claim in the total capital amount of R34 192 330. The rest remain in default, with a large number awaiting the outcome of the Fund's dealings with the City of Cape Town, as alluded to below. The total amount receivable on 30 June 2013 amounts to R244 739 842, including interest. The enforcement of the claim is on hold pending the negotiations with the City of Cape Town on the restructuring of the ailing DB section, providing for its closure and transfer of members to the DC section. The City of Cape Town joined forces with eight other local authorities on the Rule 17(5) matter, hereafter the "Cape Town group". Together they represent approximately 75%

Name of Retirement Fund: Cape Joint Pension Fund

REPORT OF THE BOARD OF FUNDO - Continued

For the period ended 30 JUNE 2013

of active DB members. Some local authorities agreed in writing to the suspension of prescription on the claim, whereas the rest was summoned in order for prescription to cease, pending the outcome of the negotiations.

Based on legal advice, the Fund has in its best interest agreed to an In principle retraction of the claim, subject to the participating employers agreeing to the payment of a significant enhancement to active DB members to enable their beneficial transfer to the DC Section.

There is a high probability that the matter will be settled on this basis and it can be assumed that the whole amount will not be recovered. Since this probability was already foreseen during the 2012 financial year, R80 million, or 31% of the total claim has already been impaired in that year. The remaining amount of R164,739,842 (including interest) was also provided for as potentially not being recoverable as at 30 June 2013. Refer to note 12 to the financial statements.

8.3 Rule 20.2 Contribution Rate

The contribution rate on the DB section has to increase to maintain the retirement benefits. Alternatively, the benefits have to be reduced. This situation is mostly as a result of higher than expected salary increases and the DB section being closed to new entrants. Initially the contribution shortfall was dealt with by means of a reduction in the benefits, a removal of the pension increase guarantee and Fund surpluses.

Rule 20.2 provides for a minimum contribution by local authorities of 200%. The recommended Local Authority contribution rate was 23.06% of salaries as per the previous statutory actuarial valuation of the Fund for the year ending 30 June 2009. The recommended rate therefore exceeded the actual Local Authority contribution rate of 18% by 5.06% of salaries.

The recommended contribution rate includes a provision to subsidize future increases in the cost of accruing benefits. The recommended rate is therefore higher than the underlying cost of accruing benefits.

Following the interim Actuarial Valuation in 2011, the Board of Fund resolved that the employer contribution rate be increased to 23, 06% of salaries with effect from February 2012. Local Authorities were informed accordingly. As at the date of this report, only 7 out of 49 Local Authorities have not paid the increased contribution yet. Action is being taken against the defaulting Local Authorities. The FSB has also been consulted on the matter.

On the upside, the planned restructuring of the DB portfolio will end the need for increased employer contributions and associated disputes. Employers who are contributing at 23.06% will return to the lower rate of 18%.

8.4 Recovery of undue commissions earned on the Fund's property transactions and asset management mandates

8.4.1 Property Transactions

Over the period November 2003 to March 2007 the Fund invested some R400 million into commercial properties. The Fund has been alerted to the likelihood that an element of costs incurred on two of these properties may not have been valid or may not have been properly disclosed to the Fund. Accordingly, the Board of Fund in 2009 commissioned a forensic audit by PWC in order to probe these issues and assist in determining the extent of any invalid costs.

The PWC audit, as well as an investigation by the FSB revealed that the Fund's investment advisors benefitted indirectly, through interests in third parties, from the Fund's property transactions. The advisors argued that the Fund was not compromised, since it still paid valid purchase prices for the properties and that they, the advisors, only shared, indirectly, in the amounts that were due to the third parties or agents anyway, inter alia as part of a syndication model.

It is the Fund's contention that the advisors acted illegally, at the very least by not disclosing their interests and hence the actual or potential compromising of their independence. Whether or not the Fund suffered any actual monetary damages in this instance is a moot point, considering the argument that it still paid valid prices for the properties and that the advisors only shared in the monies that were in anyway due to third parties. Fortunately it is not necessary for the Fund to prove actual damages, since it is trite law that a principal is entitled to all undisclosed benefits earned by its agents, irrespective of the principal having suffered actual damages. The Board of Fund has accordingly instituted legal action against its former investment advisor and its associated third parties to recover all undisclosed earnings. They have entered a defence and we are awaiting a court date.

On another matter reported on in the previous annual financial statements, the Fund is litigating against its former property managers for the recovery of what the Fund believes to be undue compensation received. The matter is being defended and we await a court date.

Name of Retirement Fund: Cape Joint Pension Fund

REPORT OF THE BOARD OF FUND - Continued

For the period ended 30 JUNE 2013

8.4.2 Undisclosed Asset Management Commissions

As with the property transactions above, the Fund's former investment advisors earned undisclosed commissions from the Fund's asset managers. Again, it is a contentious point as to whether such commissions related to the Fund's investments with the asset managers, or to only third party business. In the event of it relating to the Fund's investments, the argument is further that the asset managers merely shared their earnings and that the Fund did not pay more than it otherwise would have. The Board of Fund has in line with the legal principle explained above, instituted legal action against its former investment advisor to recover all undisclosed commissions.

8.5 Regulation 28

The Board of Fund are aware of the emphasis of matter in the Regulation 28 audit report, relating to its direct investments in properties exceeding the prescribed limits. The matter has been taken up comprehensively with the FSB and it was particularly explained that the exceeding of the limits was not the result of the Fund investing in contravention of the limits. It resulted from a change in Regulation 28 requirements after the Fund had already invested and consolidated its property interests in one company. The situation is monitored and regularly reported to the FSB. Should an opportunity arise, the Fund will sell off property. It also at this stage does not foresee investing further in properties.

9. ADDITIONAL DISCLOSURE

Not applicable.

10. SUBSEQUENT EVENTS

Not applicable.

Name of Retirement Fund:

Cape Joint Pension Fund

SCHEDULE F

STATEMENT OF NET ASSETS AND FUNDS AT 30 JUNE 2013

	Notes	30 June 2013 R	30 JUNE 2012 R
ASSETS			
Non-current assets		3 711 432 271	3 300 306 739
Investments (incl investment and owner occupied properties)	2	3 711 432 271	3 300 306 739
Current assets		36 409 366	170 698 007
Accounts receivable	4	18 397 405	1 890 324
Contributions receivable	12	10 958 870	147 780 698
Cash at bank		7 053 091	21 026 986
Total assets		<u>3 747 841 637</u>	<u>3 471 004 746</u>
FUNDS AND LIABILITIES			
Members' funds and surplus account		3 711 268 503	3 415 546 201
Accumulated funds (DB - section)		3 226 863 492	3 014 877 651
Members' individual accounts (DC - section)		484 405 010	400 668 549
Total reserves		-787 233	21 231 412
Reserves (DC - section)	21	-787 233	21 231 412
Total funds and reserves		<u>3 710 481 269</u>	<u>3 436 777 612</u>
Non-current liabilities		0	0
Unclaimed benefits	9	0	0
Current liabilities		37 360 368	34 227 134
Benefits payable	8	32 715 657	31 542 269
Accounts payable	10	4 644 711	2 684 864
Total funds and liabilities		<u>3 747 841 637</u>	<u>3 471 004 746</u>

SCHEDULE G
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS
 For the period ended 30 JUNE 2013

Notes	A+B+C		A		B		C		Totals	
	Totals		Member's share		Accumulated		Reserves		Totals	
	30 JUNE 2013		value DC section		funds DB section		Refer note 21		30 JUNE 2012	
	R	R	R	R	R	R	R	R	R	R
Contributions received and accrued	12	-55 062 909	24 533 227	-86 084 273	6 488 137	59 265 896				
Contributions transferred from reserve accounts	21	0	0	0	0	0				
Reinsurance proceeds		7 675 178	0	5 524 736	2 150 442	6 822 055				
Net investment income	13	691 975 511	0	691 975 511	0	327 455 612				
(less) Allocated to unclaimed benefits		0	0	0	0	0				
Other income (provide details)	13.1	2 665 616	0	2 665 616	0	3 730 648				
Less: Death and/or disability re-insurance premiums		-15 053 732	0	-10 198 436	-4 855 296	-14 543 640				
Administration costs	14	-17 277 990	0	-15 442 117	-1 835 873	-17 372 733				
Net income before benefits and transfers		614 921 673	24 533 227	588 441 036	1 947 410	365 357 840				
Transfers and benefits		-341 218 016	-38 380 242	-299 216 063	-3 621 711	-354 277 053				
Transfers from other funds	5	0	0	0	0	90 966				
Transfers to other funds	7	0	0	0	0	0				
Benefits	8	-341 218 016	-38 380 242	-299 216 063	-3 621 711	-354 368 019				
		273 703 656	-13 847 015	289 224 972	-1 674 301	11 080 786				
Funds and Reserves		3 436 777 612	400 668 549	3 014 877 651	21 231 413	3 425 696 826				
Balance at beginning of period		3 436 777 612	400 668 549	3 014 877 651	21 231 413	3 425 696 826				
Net total after benefits and transfers		3 710 481 269	386 821 534	3 304 102 624	19 557 112	3 436 777 612				
Transfer between reserve accounts	21	0	0	0	0	0				
Investment income allocated		0	97 583 476	-97 583 476	0	0				
Current members		0	0	0	0	0				
Former members		0	0	0	0	0				
Surplus and Reserve Accounts	21	0	0	20 344 345	-20 344 345	0				
Balance at end of period		3 710 481 269	484 405 010	3 226 863 492	-787 233	3 436 777 612				

Name of Retirement Fund: Cape Joint Pension Fund

SCHEDULE HA

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 JUNE 2013

PRINCIPAL ACCOUNTING POLICIES

The following are the principal accounting policies used by the Fund. These policies have been applied consistently to all years presented, unless otherwise specifically stated.

PURPOSE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the Rules of the Fund and the provisions of the Pension Funds Act in South Africa.

The financial statements are prepared on the historical cost and going concern bases, except where specifically indicated in the accounting policies below:

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of any other entity. A financial asset or a financial liability is recognized when its contractual arrangements become binding and is derecognized when the contractual rights to the cash flows of the instrument expire or when such rights are transferred in a transaction in which substantially all risks and rewards of ownership of the instrument are transferred.

Financial instruments carried on the statement of net assets and funds, include cash and bank balances, investments housing loans, receivables and accounts payable.

Financial instruments are recognized on acquisition using trade date accounting, which includes transaction costs. Upon initial recognition financial instruments are designated at fair value through the statement of changes in net assets and funds as the assets or liabilities are managed, evaluated and reported internally on a fair value basis and/or the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

Subsequent to initial recognition, these instruments are measured as set out below.

INVESTMENTS

Investments are classified at fair value through the statement of changes in net assets and funds and are measured at fair value.

Loans (other than housing loans) – loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market other than those that the Fund intends to sell in the short term or that is designated as at fair value through the statement of changes in net assets and funds. Loans and receivables are measured at fair value.

Debentures

Debentures comprise investments in listed and unlisted debentures.

Listed debentures

The fair value of listed debentures traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the statements of net assets and funds date.

Unlisted debentures

Unlisted debentures are financial assets with fixed or determinable payments and fixed maturity. Fair value is estimated using pricing models or by applying appropriate valuation techniques such as discounted cash flow analysis or recent arm's length market transactions in respect of the unlisted debenture.

Bills and bonds

Bills and bonds comprise investments in government or provincial administration, local authorities, participating employers, subsidiaries or holding companies and corporate bonds.

Listed bills and bonds

The fair value of listed bills and bonds traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the statements of net assets and funds date.

Unlisted bills and bonds

A market yield is determined by using appropriate yields of existing bonds and bills that best fit the profile of the instrument being measured and based on the term to maturity of the instrument. Adjusting for credit risk, where appropriate, a discounted cash flow model is then applied, using the determined yield, in order to calculate the fair value.

Investment property

A property held for long-term yields or capital appreciation that is not occupied by the fund is classified as investment property. Investment properties comprise investments in commercial properties, residual properties, industrial properties and hospitals. Investment properties are carried at fair value. Investment property includes investment property companies whose sole or main underlying assets are investment properties.

Name of Retirement Fund: Cape Joint Pension Fund

SCHEDULE HA

NOTES TO THE FINANCIAL STATEMENTS - Continued

For the period ended 30 JUNE 2013

Investment properties are reflected at valuation on the basis of open-market fair value at the statement of net assets and funds date. In the open-market valuation information cannot be reliably determined; the fund uses alternative valuation method such as discounted cash flow projections or recent prices on active markets for transactions of similar nature. The fair values are the estimated amounts for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

The open-market fair value is determined annually by independent professional valuers.

Changes in fair value are recorded by the Fund in the statement of changes in net assets and funds.

Equities

Equity instruments consist of equities with primary listing on the JSE, equities with secondary listing on the JSE, foreign listed equities and unlisted equities.

Equity instruments designated as fair value through the statement of changes in net assets and funds by the Fund are initially recognized at fair value on trade date.

Listed equities

Equity instruments are subsequently measured at fair value and the fair value adjustments are recognized in the statement of changes in net assets and funds. The fair value of equity instruments with standard terms and conditions and traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the statements of net assets and funds date.

Unlisted equities

If a quoted closing price is not available i.e. for unlisted instruments, the fair value is estimated using pricing models, or by applying appropriate valuation techniques such as discounted cash flow analysis or recent arm's length market transactions in respect of equity instruments.

Preference shares

Listed preference shares

The fair value of listed preference shares traded on active liquid markets is based on regulated exchanged quoted ruling closing prices at the close of business on the last trading day on or before the statement of net assets and funds date.

Unlisted preference shares

In respect of unlisted preference shares, the fair value is determined by applying appropriate valuation techniques such as discounted cash flow analysis or recent arm's length market transactions in respect of preference shares.

Insurance policies

Non - linked insurance policies

Non – linked insurance policies with insurers are valued on the basis of the policyholder's retrospective contribution to assets (i.e. accumulation at the actual investment return achieved on gross premiums.)

Linked or market-related policies

If the policy is unitized, the value is equal to the market value of the underlying units. Other linked or market-related policies are valued at the market value of the underlying assets for each policy, in line with the insurer's valuation practices.

Collective investment scheme

Investments in collective investment schemes are valued at fair value which is the quoted unit values, as derived by the collective investment scheme manager with reference to the rules of each particular collective investment scheme, multiplied by the number of units.

Derivative Market Instruments

Derivative market instruments consist of options, equity linked instruments, futures/forwards – SAFEX/foreign, currency swaps and interest rate swaps.

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from regulated exchange quoted market prices in active markets, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The Fund does not classify any derivatives as hedges in a hedging relationship.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidence by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) based on a valuation technique whose variables include only data from observable markets.

Name of Retirement Fund: Cape Joint Pension Fund

**SCHEDULE HA
NOTES TO THE FINANCIAL STATEMENTS - Continued
For the period ended 30 JUNE 2013**

Options

Options are valued using option pricing modules.

Futures/forwards

The fair value of publicly traded derivatives is based on quoted closing prices for assets held or liabilities issued, and current offer prices for assets to be acquired and liabilities held.

Swaps

Swaps are valued by means of discounted cash flow models, using the swap curve from a regulated exchange (BESA) to discount fixed and variable rate cash flows, as well as to calculate implied forward rates used to determine the floating interest rate amounts. The net present values of the fixed leg and variable leg of the swap are offset to calculate the fair value of the swap.

Investment in participating employers

Investments in participating employer(s) comprise loans, investments in listed and unlisted equities and other investments. Refer to respective policies for basis of accounting.

Hedge funds

Hedge fund investments are designated as fair value through the statement of changes in net assets and funds by the Fund and are initially recognized at fair value on trade date.

Listed hedge funds

Hedge fund investments are subsequently measured at fair value and the fair value adjustments are recognized in the statement of changes in net assets and funds. The fair value of hedge fund investments traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the statement of net assets and funds date.

Unlisted – where investor (fund) has no right to the underlying instrument - investment partners

Hedge fund investments are subsequently measured at fair value and the fair value adjustments are recognized in the statement of changes in net assets and funds. The value of the financial asset owned by the Fund is measured in relation to the percentage holdings by each investment partner in the total fair value of the hedge fund. The fair value is estimated using pricing models or by applying appropriate valuation techniques such as discounted cash flow analysis or recent arm's length market transactions in respect of hedge fund instruments.

Unlisted – where investor (fund) has a right to the underlying instrument

Hedge fund investments are subsequently measured at fair value and the fair value adjustments are recognized in the statement of changes in net assets and funds. As the Fund has the right to the underlying instrument, a look through principle is applied, and the underlying instrument are separately measured and disclosed. The fair value is estimated using pricing models or by applying appropriate valuation techniques such as discounted cash flow analysis or recent arm's length market transactions in respect of the hedge fund instrument.

CASH AND CASH EQUIVALENTS

Cash and deposits comprise cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are measured at fair value.

RESERVES

Reserve accounts comprise particular amounts of designated income and expenses as set out in the Rules of the Fund and are recognized in the year in which such income and expenses accrue to the Fund.

SURPLUS

Surplus apportionments are recognized on the date of approval of the surplus apportionment scheme by the Registrar. Surplus is measured at the values contained in the approved surplus apportionment scheme, adjusted for investment return or late payment interest until date of approval of the scheme as determined by the Rules of the Fund.

TRANSFERS TO AND FROM THE FUND

Section 14 and 15B transfers to or from the Fund are recognized on the date of approval of the scheme/arrangement of transfer of business by the Financial Services Board, as contained in the approval certificate from the Registrar.

Individual transfers (Section 13A(5) transfers) are recognized on the earlier of receipt of the written notice of transfer (Recognition of Transfer) or receipt of the actual transfer value.

All the above transfers are measured at the values as per the section 14 application or the value of the transfer at effective date of transfer adjusted for investment return or late payment interest as guided by the application.

ACCOUNTS RECEIVABLE

Accounts receivable are financial assets measured initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less any allowance for impairment.

ACCOUNTS PAYABLE

Accounts payable are financial liabilities measured initially at fair value, net of transaction costs that are directly attributable to the liability and subsequently measured at amortized cost using the effective interest method.

Name of Retirement Fund: Cape Joint Pension Fund

SCHEDULE HA
NOTES TO THE FINANCIAL STATEMENTS - Continued
For the period ended 30 JUNE 2013

IMPAIRMENT

Financial assets carried at amortized cost

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

The Fund first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Fund determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held to maturity investments carried at amortized cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flow (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of changes in net assets and funds. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as improved credit rating), the previously recognized impairment loss is reversed in the statement of changes in net assets and funds.

Impairment of loans and receivables

A provision for impairment of loans and receivables is established when there is objective evidence that the fund will not be able to collect all amounts due according to their original terms.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions

Provisions are recognized when the fund has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of net assets and funds date, as determined by the judgment of the Board of Trustees of the Fund.

Contingent liabilities

A contingent liability is not recognized in the statement of net assets and funds, but disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets

A contingent asset is not recognized in the statement of net assets and funds, but disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

CONTRIBUTIONS

Contributions are measured at the fair value of the consideration received or receivable.

Contributions are accrued and recognized as income in accordance with the actuarial recommendations, and the Rules of the Retirement Fund. Contributions received are apportioned between retirement funding and funding for risk and other expenses. The apportionment is governed by the rules of the fund and actuarial recommendations.

Voluntary contributions are recognized when they are received from annual payments or accrued where monthly recurring payments are made.

Any contributions outstanding at the end of the reporting year are recognized as a current asset – contribution receivable. Any contributions received in advance at the end of the reporting year are recognized as a current liability – accounts payable.

Contributions transferred from surplus accounts

Contributions transferred from surplus accounts include any contributions that are funded from the surplus accounts and relates to contribution holiday after surplus apportionment has been approved and the corresponding approval of the utilization of the employer and member surplus accounts.

Interest charged on late payment of contributions

Compound interest on late payments or unpaid amounts and values shall be calculated for the year from the first day of the month following the expiration for the year in respect of which the relevant amounts or values are payable or transferable until the date of receipt by the Fund.

Name of Retirement Fund: Cape Joint Pension Fund

SCHÉDULE HA
NOTES TO THE FINANCIAL STATEMENTS - Continued
For the period ended 30 JUNE 2013

BENEFITS

Benefits payable and pensions are measured in terms of the rules of the Fund.

Benefit payments and monthly pension payments are recognized as an expense when they are due and payable in terms of the Rules of the Fund. Any benefits not paid at the end of the reporting year are recognized as a current liability – benefits payable / due.

Reinsurance proceeds are measured at the fair value of the consideration received or receivable and are accrued and recognized as income at the same time as the recognition of the related claim.

INVESTMENT INCOME

Dividends

Dividend income is recognized in the statement of changes in net assets and funds when the right to receive payment is established – this is the last date to trade for equity securities. For financial assets designated at fair value through the statement of changes in net assets and funds, the dividend income forms part of the fair value adjustment.

Interest

Interest income in respect of financial assets held at amortized cost is accounted for in the statement of changes in net assets and funds using the effective interest rate method.

Collective investment schemes' distribution

Distribution from collective investment schemes are recognized when the right to receive payment is established.

Income from policies with insurance companies

Income from investment policies from insurance companies is included in the adjustment to the movement of the financial asset.

Interest on late payment of contributions and / or loans and receivables

Interest on late payment of contributions, surplus improperly utilized and / loans and receivables is accounted for in the statement of changes in net assets and funds using the effective interest method.

Adjustment to fair value

Gains or losses arising from changes in the fair value of financial assets at fair value through the statement of changes in net assets and funds are presented in the statement of changes in net assets and funds in the year in which they arise.

Expenses incurred in managing investments

Expenses in respect of the management of investments are recognized as the service is rendered.

ADMINISTRATION EXPENSES

Expenses incurred in the administration of Retirement Funds are recognized in the statement of changes in net assets and funds in the reporting year to which they relate.

In the event that an expense has not been paid at the end of a reporting year the liability will be reflected in the accounts payable note. If the expense was paid in advance or overpayment occurred, the applicable amount will be disclosed under the accounts receivable note.

ACCOUNTING POLICIES, CHANGING IN ACCOUNTING ESTIMATES AND ERRORS

The Fund applies adjustments arising from changes in accounting policies and errors prospectively. The adjustment relating to a change in the accounting policy or error is therefore recognized in the current and future years affected by the change.

RELATED PARTIES

In considering each possible related-party relationship, attention is directed to the substance of the relationship and not merely the legal form.

If there have been transactions between related parties, the Fund shall disclose the nature of the related party relationship as well as the following information for each related party relationship:

-The amount of the transactions;

-The amount of outstanding balances;

-Their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in the settlement;

-Details of guarantees given or received;

-Provisions for doubtful debts related to the amount of outstanding balances; and

-The expense recognized during the year in respect of bad or doubtful debts due from related parties.

Name of Retirement Fund: Cape Joint Pension Fund

NOTES TO THE FINANCIAL STATEMENTS - Continued

For the period ended 30 JUNE 2013

2. Investments

2.1 Investment summary	Notes	A		B		A+B		Total 30 June 2012 R	Fair value 30 June 2013 R	Amortized cost 30 JUNE 2013	Categorized per Regulatory Framework
		Total Local R	Total Foreign R	Total Foreign R	Total 30 June 2013 R						
Cash		149 109 576	1 060 450	1 060 450	150 170 026	150 170 026	87 086 471	150 170 026			*
Commodities		20 272 141	0	0	20 272 141	20 272 141	0	20 272 141			*
Debt instruments including Islamic debt instruments		508 282 650	12 447 672	12 447 672	520 730 323	520 730 323	591 077 661	520 730 323			*
Investment properties and Owner occupied properties	2.3	0	0	0	0	0	222 823 625	0			*
Equities(including demutualization shares)**		1 805 647 042	26 519 742	26 519 742	1 832 166 784	1 832 166 784	1 420 675 875	1 832 166 784			*
Insurance policies		163 156 905	211 512 960	211 512 960	374 669 864	374 669 864	160 646 680	374 669 864			*
Collective Investment Schemes		114 384 797	636 982 717	636 982 717	751 367 514	751 367 514	799 333 984	751 367 514			*
Hedge Funds		0	25 653 877	25 653 877	25 653 877	25 653 877	0	25 653 877			*
Private Equity Funds		25 454 035	0	0	25 454 035	25 454 035	0	25 454 035			*
Derivative market instruments		0	0	0	0	0	-7 198 530	0			*
Other assets		10 710 817	0	0	10 710 817	10 710 817	25 261 911	10 710 817			*
Investment in participating employer(s)	2.2	236 891	0	0	236 891	236 891	599 063	236 891			*
Total		2 797 254 853	914 177 418	914 177 418	3 711 432 271	3 711 432 271	3 300 306 739	3 711 432 271			

** The following unlisted equities are included:

ELE	3 281 413
Futuregrowth Infrastructure & Development Bond Fund	5 495 349
Coronation Global Equity FOF class Z	4 480 813
Cape Joint Properties	7 918 591
Investment in Newshelf 922 (Pty) Ltd	345 125 177
Coronation Absolute World Opp FD CAWO01	1 075 347

Name of Retirement Fund: Cape Joint Pension Fund

NOTES TO THE FINANCIAL STATEMENTS - Continued

For the period ended 30 JUNE 2013

2.2 Investment in participating employer	Fair value 30 June 2012		Additions		Repaid / Disposals		Other adjustments		Fair value 30 June 2013	
	R	R	R	R	R	R	R	R	R	R
Debt instruments including Islamic debt - City of Cape Town Metropolitan Mun Bonds	418 150		0	0	0	0	-181 259		236 891	
Other - Loan to Langeberg Municipality	180 913		0	0	-180 913		0		0	
TOTAL	599 063		0	0	-180 913		-181 259		236 891	

The loan to the Participating Employer have been repaid in full on 31/12/2012.

Name of Retirement Fund: Cape Joint Pension Fund

NOTES TO THE FINANCIAL STATEMENTS - Continued
For the period ended 30 JUNE 2013

3. Housing loan facilities

3.2 Housing loan guarantees

- The Fund has granted guarantees to First National Bank for loans granted to 621 members of the Fund. The guarantees amounted to R38 381 962.40.
- The amount of the guarantee may not exceed 60% of the benefit that a member would receive in terms of the Rules of the Fund and section 19(5) of the Pension Funds Act if he or she had to terminate membership of the Fund voluntarily.
- The total housing loan guarantee facility available to the Fund is R40 000 000.00 and is renewable on 30/06/2014.

4. Accounts receivable

	30 June 2013	30 June 2012
	R	R
Interest on call account	25	27
Late payment interest 13A	476 430	34 747
Statutory allowances	450	15 142
Cape Joint Properties loan payments	664 849	664 849
Reinsurance recoveries	477 472	473 304
VAT refund	41 205	669 423
Prudential Offshore mandate reduction	15 000 000	0
Prudential Real Return management fees refund	81 779	0
Investec Absolute Opportunity performance fees refund	1 653 595	0
Other	1 601	32 831
Total	18 397 405	1 890 324

Name of Retirement Fund: Cape Joint Pension Fund

NOTES TO THE FINANCIAL STATEMENTS - Continued
For the period ended 30 JUNE 2013

8. Benefits

	A		B		C		D		E		A+B+C+D-E	
	R	R	R	R	R	R	R	R	R	R	R	R
8.1. Benefits - current members	Benefits due 30 June 2012	Benefits for 30 June 2013	Return allocated	Payments	Transferred to unclaimed benefits	Benefits due 30 June 2013						
Monthly pension	4 261 596	205 437 111	0	204 898 692	0	4 800 015						
Lump sums on retirements	12 069 357	99 511 152	741 345	89 938 248	0	22 383 606						
Full benefit	12 069 357	99 511 152	741 345	89 938 248	0	22 383 606						
Pensions commuted	0	0	0	0	0	0						
Lump sums before retirement	13 913 280	30 266 451	359 189	39 275 648	0	5 263 273						
Disability benefits paid by Fund	0	738 125	9 313	617 382	0	130 056						
Death benefits	5 833 110	6 310 528	79 393	10 487 086	0	1 735 945						
Withdrawals	8 080 170	23 217 798	270 483	28 171 180	0	3 397 272						
Retrenchments	0	0	0	0	0	0						
Minimum benefit payments made in terms of Section 15	0	0	0	0	0	0						
Defaults - housing loan facilities	0	0	0	0	0	0						
Other (provide details)	1 298 037	4 902 768	0	5 932 040	0	268 764						
Defaults - divorce grants	1 298 037	4 902 768	0	5 932 040	0	268 764						
Retrenchment proceeds	0	0	0	0	0	0						
Total (8.1)	31 542 269	340 117 482	1 100 534	340 044 628	0	32 715 657						

Benefits for 30 June 2013
Return allocated (C)

Statement of changes in net assets and funds

340 117 482
1 100 534
341 218 016

Name of Retirement Fund: Cape Joint Pension Fund

NOTES TO THE FINANCIAL STATEMENTS - Continued
For the period ended 30 JUNE 2013

10. Accounts payable

	30 June 2013	30 June 2012
	R	R
Audit fees	269 040	253 764
Reinsurance premiums	1 228 252	1 236 775
Actuarial fees	75 240	216 754
Custodian fees	0	37 028
Legal fees	772	236 728
SARS	600 177	531 927
Management expenses	2 243	7 506
Principal Officer expenses	27 832	54 828
PWC VAT audit fees	34 200	96 900
Investec DC performance fees	2 297 576	0
Prudential Real Return management fees	78 600	0
Other	30 779	12 654
Balance at the end of the period	4 644 711	2 684 864

NOTES TO THE FINANCIAL STATEMENTS - Continued
For the period ended 30 JUNE 2013

12. Contributions	Arrear 30 June 2012		Towards retirement		Towards reinsurance and expenses		Contributions received		Arrear 30 JUNE 2013	
	R	R	R	R	R	R	R	R	R	R
Member contributions - received and accrued	1 211 115		25 281 554		0		25 166 119		1 336 550	
Employer contributions received and accrued	4 942 311		52 502 208		6 488 137		54 310 336		9 622 320	
Additional contribution in respect of actuarial shortfall										
Recovery of investment shortfall per Rule 17(5) *	160 073 216				0		-2 184 132		162 237 348	
Late payment interest Rule 17(5) *	61 554 056		25 318 892		0		4 370 454		82 502 494	
Provision for potential non-recoverability of Rule 17(5)	-80 000 000		-164 739 842		0		0		-244 739 842	
Additional voluntary contributions - employer	0		0		0		0		0	
Additional voluntary contributions - members	0		78 142		0		78 142		0	
Other (provide details)										
Total	147 780 698		-61 551 046		6 488 137		81 758 919		10 958 870	

Towards retirement

Towards reinsurance and expenses

Statement of changes in net assets and funds

* Refer to note 9 of the Report of the Board of Trustees

* Late payment interest on Rule 17(5) is disclosed in this note for better presentation of the financial statements and to accommodate the provision for the potential non-recoverability, which is applicable to both the outstanding capital and interest on Rule 17(5).

13. Net investment income

	30 June 2013	30 June 2012
	R	R
Income from investments		
Dividends	48 620 414	53 537 828
Interest	33 306 893	37 177 152
Rentals	0	0
Collective investment schemes distribution	7 720 993	10 500 995
Income from insurance policies	10 317 158	31 576 511
Interest on late payment of contributions	474 843	16 978
Adjustment to fair value		
Adjustment to fair value (realized income)	42 490 785	210 260 496
Adjustment to fair value (unrealized income)	571 927 876	13 218 902
	714 858 962	356 288 862
Less Expenses incurred in managing investments	-22 883 451	-28 833 249
Less interest paid on borrowings	0	0
Total	691 975 511	327 455 612

13.1 Other income

	30 June 2013	30 June 2012
	R	R
Bad debts recovered	0	0
Other	2 665 616	3 730 648
Script lending fee	0	186 145
Other	2 665 616	3 531 504
Total	2 665 616	3 730 648

Name of Retirement Fund: Cape Joint Pension Fund

NOTES TO THE FINANCIAL STATEMENTS - Continued
For the period ended 30 JUNE 2013

14. Administration expenses	Notes	30 June 2013 R	30 June 2012 R
Actuarial fees		682 137	997 649
Administration fees		10 321 659	9 900 364
Audit fees			
Audit services		269 040	253 764
Expenses		0	0
Other		78 660	96 900
Consultancy fees		407 798	261 250
Depreciation - at cost		0	0
Depreciation - at revaluation		0	0
Fidelity Insurance		161 237	23 737
Levies		104 318	102 865
Other (provide detail)		0	0
Bank charges		161 826	165 299
Communication and client service		1 239 193	1 359 140
Document storage fees		54 066	51 284
Legal costs		607 924	879 025
Medical examinations		7 838	14 108
Minimum Benefit fee		310 563	287 558
Telephone, printing & miscellaneous		29 662	37 038
Post Retirement Medical Aid		45 202	47 743
Subscriptions		11 475	11 374
Office expenses		261 573	244 504
Operating lease payments		0	0
Penalties		0	0
Principal Officer expenses	14.3	1 812 132	1 823 424
Staff expenses	14.2	0	0
Secretarial fees		0	0
Board of Fund expenses	14.1	711 688	815 707
Less amount allocated to unclaimed benefits	9	0	0
Total		17 277 990	17 372 733

14.1. Board of Fund expenses	30 June 2013 R	30 June 2012 R
Remuneration	0	0
Meeting allowances	205 200	184 300
Expenses	336 087	411 153
Other payments		
- AGM	17 824	15 063
- Year end function	22 580	32 607
- Catering	16 852	17 799
- Training	50 554	112 947
- Sundry	62 590	41 838
Total	711 688	815 707

Name of Retirement Fund: Cape Joint Pension Fund

NOTES TO THE FINANCIAL STATEMENTS - Continued

For the period ended 30 JUNE 2013

14.2. Staff expenses	30 June 2013	30 June 2012
	R	R
Remuneration	0	0
Contributions to retirement fund	0	0
Training expenses	0	0
Other payments	0	0
Total	0	0

14.3. Principal Officer expenses	30 June 2013	30 June 2012
	R	R
Fees as Board member	0	0
Remuneration	1 468 732	1 453 276
Allowances	0	0
Contributions to retirement fund	0	0
Bonus	47 691	15 440
Other payments	295 709	354 708
Total	1 812 132	1 823 424

17. Risk management policies

The Board of Fund has overall responsibility for the establishment and oversight of the Fund's risk management policies.

The Fund's risk management policies are established to identify and analyze the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

- **Solvency risk**

Solvency risk is the risk that the investment returns on assets will not be sufficient to meet the Fund's contractual obligations to members.

Continuous monitoring by the Board and the Fund's actuary takes place to ensure that appropriate assets are held where the Fund's obligation to members are dependant upon the performance of specific portfolio assets and that a suitable match of assets exist for all other liabilities.

The solvency of the Fund is assessed on a formal basis on an annual basis as part of interim actuarial valuations, and once every three years as part of the statutory valuation of the Fund.

- **Credit risk**

Credit risk is the risk that a counter-party to a financial instrument will fail to discharge an obligation, and cause the Fund to incur a financial loss. The Board monitors receivable balances on an on-going basis with the result that the Fund's exposure to bad debts is not significant. An appropriate level of provision is maintained.

Reputable financial institutions are used for investing and cash handling purposes. The Trustees have a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The credit risk associated with the fund's loan receivables and arrear contributions is monitored by the Trustees.

- **Legal risk**

Legal risk is the risk that the Fund will be exposed to contractual obligations which have not been provided for. Legal representatives of the Fund monitor the drafting of contracts to ensure that rights and obligations of all parties are clearly set out.

Name of Retirement Fund: Cape Joint Pension Fund

NOTES TO THE FINANCIAL STATEMENTS - Continued

For the period ended 30 JUNE 2013

• **Cash flow risk**

Cash flow risk is the risk that future cash flows associated with monetary financial instrument will fluctuate in amount. In the case of a floating rate debt instrument, for example, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

The Board of Fund monitors cash flows by using monthly cash flow projections. The Fund's cash-flow requirements are maintained by the administrator and amounts disinvested from (or invested in) the investment portfolios when the Fund has cash-flow requirements (or excess cash to invest).

• **Currency risk**

Currency risk is the risk that the value of an instrument will fluctuate in Rands owing to changes in foreign exchange rates. The Fund's exposure to currency risk is mainly in respect of foreign investments made on behalf of members of the Fund for the purpose of seeking desirable international diversification of investments.

The Board of Fund monitors this aspect of the Fund's investments and limits it to SARB limits of total assets.

• **Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Fund's liabilities are backed by appropriate assets and it has significant liquid resources.

• **Market risk**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices of market interest rates. The investment committee monitors the market risk. The implementation of an optimal investment strategy for the Fund requires investment in instruments that are subject to market volatility, notably equities, bonds and related derivative instruments which are used to hedge market risk and alter the effective asset allocation in the investment portfolios. Derivatives are not used for speculation or for gearing of positions. An important part of this investment strategy is diversification of the Fund's assets across different asset classes for diversification benefits, which by itself is a way of managing the market risk associated with any single asset class.

• **Investments**

Investments in equities are valued at fair value and therefore susceptible to market fluctuations. Investments are managed with the aim of maximizing the Fund's returns while limiting risk to acceptable levels within the framework of statutory requirements.

Continuous monitoring takes place to ensure that appropriate assets are held where the liabilities are dependent upon the performance of specific portfolios of assets and that a suitable match of assets exists for all non-market related liabilities.

18. **Promised retirement benefits**

The actuarial present value of promised retirement benefits, distinguishing between vested benefits and non-vested benefits is set out in the report of the valuator.

19. **Related party transactions**

Related party	Relationship	Description	Transactions
Cape Joint Properties (Pty) Ltd	50% Shareholding	Loan	4 601 498

The following trustees are directors of related parties:

- PJ du Toit Cape Joint Properties (Pty) Ltd resigned 17 May 2013
- I du Toit Cape Joint Properties (Pty) Ltd
- JD Venter Cape Joint Properties (Pty) Ltd appointed 21 June 2013

Name of Retirement Fund: Cape Joint Pension Fund

NOTES TO THE FINANCIAL STATEMENTS - Continued

For the period ended 30 JUNE 2013

- PJ du Toit	Newshelf 922 (Pty) Ltd	resigned 17 May 2013
- I du Toit	Newshelf 922 (Pty) Ltd	
- JD Venter	Newshelf 922 (Pty) Ltd	appointed 21 June 2013
- JVA Booyens	Newshelf 922 (Pty) Ltd	

No remuneration was paid to these directors by the company.

Principal officer fees

During the current financial period, fees of R1 812 132 were paid to the Principal Officer.

Administration & consulting fees

Administration fees of R10 321 659 were paid to the administrator of the Fund, Vero Financial Services (Pty) Ltd.

Board of Fund

The following Board members of the Fund make contributions to the Fund and receive benefits from the Fund:

Active members of the Fund:

- HF Botha
- M Van Zyl
- DL Carstens
- I du Toit

Pensioners of the Fund:

- M de K Waal
- PW Esterhuizen
- JAH van den Berg
- JDB van der Merwe

The Board members of the Fund incurred expenses to the amount of R336 087 during the current financial period.

The following transactions between the participating employers and the Fund occurred during the period:

- The participating employers made contributions to the Fund for members' retirement and towards the Fund's expenses to the value of R52 502 208 and R6 488 137 respectively (Refer note 12 of the financial statements).
- The Fund holds investments in the participating employer to the value of R236 891 (Refer note 2.2 of the financial statements).
- PHI premiums amounting to R543 084 and funeral premiums amounting to R421 822 were settled against the contributions towards risk and expenses (Refer note 12 of the financial statements).

Name of Retirement Fund:

Cape Joint Pension Fund

NOTES TO THE FINANCIAL STATEMENTS - Continued

For the period ended

30 JUNE 2013

21. Surplus and reserve accounts	Total reserve accounts	Investment reserve	Risk & Data reserve
	R	R	R
Opening balance - 1 July 2012	21 231 413	21 231 413	0
Employer surplus on appointment	0	0	0
Member surplus apportionment	0	0	0
Benefit enhancements - current members	0	0	0
	21 231 413	21 231 413	0
Contributions received and accrued	6 488 137	0	6 488 137
Contributions transferred from reserve accounts	0	0	0
Contributions transferred from surplus accounts	0	0	0
Surplus improperly utilized	0	0	0
Reinsurance proceeds	2 150 442	0	2 150 442
Allocated to unclaimed benefits	0	0	0
Net investment income	0	0	0
Allocated to unclaimed benefits	0	0	0
Other income (provide details)	0	0	0
Less:			
Administration expenses	-1 835 873	0	-1 835 873
Reinsurance premiums	-4 855 296	0	-4 855 296
Retirement Fund Taxation	0	0	0
Net income before transfers and benefits	23 178 823	21 231 413	1 947 410
Transfers and benefits			
Benefits (incl pensions & LPI)	-3 621 711	-1 471 269	-2 150 442
Transfers from other funds	0	0	0
Transfers to other funds	0	0	0
Net income after transfers and benefits	19 557 112	19 760 144	-203 032
Transfer between reserve accounts	0	-203 032	203 032
Net investment return (incl int allocated active members)	-20 344 345	-20 344 345	0
Closing balance - 30 June 2013	-787 233	-787 233	0

Name of Retirement Fund: Cape Joint Pension Fund

**SCHEDULE HB
REPORT OF THE VALUATOR**

Particulars of financial condition of the Fund as at 30 June 2013

1. Net value of assets available for benefits: R3 710 481 269 ^(a)
2. The actuarial value of the net assets available for benefits, for the purposes of comparison with the actuarial present value of promised retirement benefits: R3 710 481 269 allocated as follows:
 - Rule (17(5) amounts paid: R38 093 829 (excluding interest)
 - Pensioner account: R1 967 000 000 (opening balance)
 - DB Section active members: R1 221 769 663
 - DC Section: R483 617 777
3. The actuarial present value of promised retirement benefits:
 - DB Section
 - Pensioners: R1 967 000 000 (market value)
 - Active and paid-up members' liabilities: R1 231 798 982
 - DC Section
 - Active members' shares: R484 405 010
4. Reserve account balances:
 - Solvency reserve: R0
 - DC Section Investment Reserve: -R787 233
5. Details of the valuation method adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary of report:

5.1 Future service contribution rate

The future service contribution rate has been calculated according to the Attained Age method. This method aims to give a uniform rate of contribution required to fund future benefits over the remaining working lifetime of the membership.

5.2 Liabilities

Liabilities for DB active service members and pensioners are taken as the present values of all future benefit payments using the valuation assumptions. For DB active service members, salaries are projected to retirement. Past service liabilities are calculated based on members' pensionable service completed at the valuation date including bonus service. Minimum benefits were allowed for based on the long term valuation assumptions (previous valuation) and at 40% of the earnings yield at the valuation date (current valuation). For DB active service members, salaries are projected to retirement. Past service liabilities are calculated based on members' pensionable service completed at the valuation date including bonus service.

5.3 Solvency reserve

A solvency reserve has been determined on a discontinuance matching approach based on the principles outlined in PF Circular 117. The solvency reserve is determined as the value of the liabilities on the discontinuance basis less the value of the liabilities on the valuation basis, subject to a minimum of zero.

The solvency reserve is limited so as not to create a deficit in the Fund.

6. Details of the actuarial assumptions adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary report.

The valuation basis was converted from a long term actuarial valuation funding basis to a market value basis. The assumptions were therefore revised to reflect current market yields as at the valuation date.

Valuation basis	30 June 2013	30 June 2012
Interest rate	7.79% p.a.	8.50% p.a.
Interest rate new of pension increases	4.25% p.a.	5.34% p.a.
Inflation risk premium	0.50% p.a.	Not applicable
Price inflation	5.66% p.a.	5.00% p.a.
Dividend growth	Not applicable	5.50% p.a.
General salary increases	5.50% p.a.	5.50% p.a.
Merit salary increases	Ranging from 8.4% at age 20 to 1.1% at age 60 and over.	Ranging from 8.4% at age 20 to 1.1% at age 60 and over.
Mortality post retirement	PA90 -2 years and 1.5% p.a. Improvement.	PA90 -2 years and 1.5% p.a. Improvement.
Mortality of ill-health pensioners	PA90 +8 years and 1.5% p.a. Improvement.	PA90 +8 years and 1.5% p.a. Improvement.
Husbands age greater than wife	4 years	4 years
Proportion married:		
- active members at retirement	90%	90%
- pensioners qualifying for a spouse's pension	60%	60%

Name of Retirement Fund: Cape Joint Pension Fund

SCHEDULE HB
REPORT OF THE VALUATOR

Solvency reserve basis	30 June 2013	30 June 2012
Interest rate	7.79% p.a.	7.67% p.a.
Interest rate net of pension increases	3.95% p.a.	3.31% p.a.
Price inflation	6.16% p.a.	5.70% p.a.
Salary increases including merit increases	6.67% p.a.	6.67% p.a.
Mortality improvement post retirement	1.75% p.a.	1.75% p.a.
Other assumptions	Per funding basis	Per funding basis

7. Any other particulars deemed necessary by the valuator for the purposes of this summary.

7.1 Financial condition DB Section	30 June 2013 R 000	30 June 2012 R 000
Value of assets	3 226 863	3 014 878
Rule 17(5) reserve	38 094	-
Pensioner Account		
Value of assets	1 967 000	-
Pensioner liabilities	(1 967 000)	(1 881 659)
Solvency reserve	0	0
Surplus	0	-
Funding level (Pensioner Account)	100.0%	-
DB active members		
Value of assets	1 221 769	-
Active member liabilities	(1 231 473)	(1 151 245)
Paid-up members	(326)	(261)
Surplus / (deficit)	(10 030)	(18 287)
Funding level (DB active members)	99.2%	99.4%

The Fund is in the process of converting the DB active members to a DC arrangement in the DC Section. The market value of the each active member's liability was therefore determined as the actuarial reserve value using the previous valuation basis, subject to the Minimum Individual Reserve.

7.2 Financial Condition DC Section	30 June 2013 Declared (average) 24.42% p.a. R 000	30 June 2012 Declared (average) 9.58% p.a. R 000
Market value of assets	483 618	421 900
Members' Shares	484 405	400 669
Investment Reserve	(787)	21 231
Funding level (DC Section)	99.8%	105.3%

7.3 Future service contribution rate

The recommended Local Authority contribution rate on the Attained Age Method was 26.77% of pensionable salaries.

7.4 Pension increase and bonuses

A pension increase of 3% was granted effective 1 January 2013. A pensioner bonus of 30% of monthly pension was granted in December 2012.

8. Statement as to whether the Fund was in a sound financial condition for the purposes of the Pension Funds Act, 1956.

8.1 DB Section

The pensioner account was in a sound financial condition as at 30 June 2013.

The DB Section was underfunded in respect of DB active members by R10.03 million with a funding level of 99.2% as at 30 June 2013.

Overall, the funding level of the DB Section was 99.7%.

8.2 DC Section

The Fund declared a final bonus rate of 24.42% p.a. on Members' Shares in the DC Section. The Trustees allocated -0.2% to the Members' Shares of the DC Section to clear the balance in the Investment Reserve. After taking the allocation of -0.2% into account, the DC Section of the Fund was in a sound financial condition.

Name of Retirement Fund: Cape Joint Pension Fund

**SCHEDULE HB
REPORT OF THE VALUATOR**

Prepared by:



Sean Neethling BSc CFP® FIA FASSA

VALUATOR

Fellow of the Actuarial Society of South Africa (primary regulator)

In my capacity as the Valuator of the Fund and as an employee of Metropolitan Life Limited.

Date: 22 November 2013

REMARKS

For the purposes of this summary of report:

(a) Net assets available for benefits are the fair value of the assets of the fund less liabilities other than the actuarial present value of promised retirement benefits.

(b) The actuarial present value of promised retirement benefits means:

i. The actuarial liabilities in respect of past service benefits (including accrued bonus service) of active members, with due allowance for future salary increases where these affect the benefits in respect of past service.

ii. The actuarial liabilities in respect of pensions in course of payment and deferred pensions, including any contingent annuity payable on the death of a pensioner, with due allowance for increases at rates consistent with the pension increase policy of the Fund.

iii. Any other accrued liability.

(c) Vested benefits are benefits, the right to which, under the conditions of the fund, are not conditional upon continued employment.



RADMEYER WESSON

Beekroofoerders Rekenmeesters (SA) - Chartered Accountants (SA)

Name of Retirement Fund: Cape Joint Pension Fund

Reference number : 12/8/1278/2

**SCHEDULE I
REPORT OF THE INDEPENDENT AUDITORS TO THE REGISTRAR OF PENSION FUNDS ON FACTUAL FINDINGS**

Scope

We have performed the procedures agreed with you and enumerated below with respect to the accounting records of the Cape Joint Pension Fund for the year ended 30 June 2013 as required by you in terms of section 15 of the Pension Funds Act of South Africa, (the Act). Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements regarding financial information. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of the Registrar of Pension Funds.

Procedures and findings

Our procedures and the corresponding findings thereon are set out in the table below.

	Procedures	Findings																																																																								
1	We selected a sample of the lesser of 25 or 10% of participating employers and for the following three months October 2012, April 2013 and June 2013 performed the following procedures:																																																																									
1.1	We agreed, in total, the data received by the administrator to the cash received by the fund.	We found that the data received by the administrator agreed to the cash received by the fund.																																																																								
1.2	We inspected the bank statements, as appropriate, for the date on which the cash was received to determine whether the contributions were deposited with a registered bank in accordance with section 13A of the Act and whether late payment interest has been raised in terms of regulation 33, where applicable.	We found that contributions were deposited with a registered bank in accordance with section 13A of the Act and that late payment interest had been raised in terms of regulation 33 where applicable.																																																																								
1.3	We inspected the accounting records of the fund to determine whether amounts disclosed as arrear contributions at year-end have been paid to the fund in accordance with the requirements of section 13A of the Act.	<p>We found that amounts disclosed as arrear contributions at year-end have been paid to the fund in accordance with the requirements of section 13A of the Act.</p> <p>The following exceptions were noted:</p> <table border="1"> <thead> <tr> <th>Participating</th> <th>Month</th> <th>Date Received</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Gariep Municipality</td> <td>June 2013</td> <td>Not yet received</td> <td>R 73,776</td> </tr> <tr> <td>Karoo Hoogland</td> <td>June 2013</td> <td>2013/07/08</td> <td>R 15,635</td> </tr> <tr> <td>Naledi Municipality</td> <td>January 2013</td> <td>2013/07/08</td> <td>R 838</td> </tr> <tr> <td>Naledi Municipality</td> <td>June 2013</td> <td>2013/07/08</td> <td>R 11,742</td> </tr> <tr> <td>Nama Khoi Municipality</td> <td>June 2013</td> <td>2013/07/09</td> <td>R 2,543</td> </tr> <tr> <td>Stellenbosch Municipality</td> <td>June 2012</td> <td>Not yet received</td> <td>R 2,763</td> </tr> </tbody> </table> <p>We found that the contribution rate on the defined benefit section of the fund changed from 18% to 23.06% affectively from 1 February 2012. The following participating employers did not contribute at the higher contribution rate from 1 February 2012 and therefore a debtor was raised. We found that interest was raised in terms of regulation 33 on the outstanding amounts. The amounts outstanding at year end are as follows:</p> <table border="1"> <thead> <tr> <th>Participating employer</th> <th>Outstanding</th> <th>Date Received</th> <th>Amount received</th> </tr> </thead> <tbody> <tr> <td>City of Cape Town</td> <td>R 6,235,007</td> <td>various</td> <td>R 6,248,397</td> </tr> <tr> <td>Nxuba Municipality</td> <td>R 5,390</td> <td>Not yet received</td> <td>n/a</td> </tr> <tr> <td>Langeberg Municipality</td> <td>R 20,043</td> <td>07/08/2013</td> <td>R 20,043</td> </tr> <tr> <td>Emthanjeni Municipality</td> <td>R 17,059</td> <td>Not yet received</td> <td>n/a</td> </tr> <tr> <td>George Municipality</td> <td>R 502,228</td> <td>Not yet received</td> <td>n/a</td> </tr> <tr> <td>Overstrand Municipality</td> <td>R 87,495</td> <td>Not yet received</td> <td>n/a</td> </tr> <tr> <td>Nelson Mandela Bay Metropolitan Municipality</td> <td>R 527,128</td> <td>Not yet received</td> <td>n/a</td> </tr> <tr> <td>Tsantsabane Municipality</td> <td>R 7,433</td> <td>Not yet received</td> <td>n/a</td> </tr> <tr> <td>Hessequa Municipality</td> <td>R 93,542</td> <td>Not yet received</td> <td>n/a</td> </tr> <tr> <td>Engcobo Municipality</td> <td>R 14,555</td> <td>Not yet received</td> <td>n/a</td> </tr> </tbody> </table>	Participating	Month	Date Received	Amount	Gariep Municipality	June 2013	Not yet received	R 73,776	Karoo Hoogland	June 2013	2013/07/08	R 15,635	Naledi Municipality	January 2013	2013/07/08	R 838	Naledi Municipality	June 2013	2013/07/08	R 11,742	Nama Khoi Municipality	June 2013	2013/07/09	R 2,543	Stellenbosch Municipality	June 2012	Not yet received	R 2,763	Participating employer	Outstanding	Date Received	Amount received	City of Cape Town	R 6,235,007	various	R 6,248,397	Nxuba Municipality	R 5,390	Not yet received	n/a	Langeberg Municipality	R 20,043	07/08/2013	R 20,043	Emthanjeni Municipality	R 17,059	Not yet received	n/a	George Municipality	R 502,228	Not yet received	n/a	Overstrand Municipality	R 87,495	Not yet received	n/a	Nelson Mandela Bay Metropolitan Municipality	R 527,128	Not yet received	n/a	Tsantsabane Municipality	R 7,433	Not yet received	n/a	Hessequa Municipality	R 93,542	Not yet received	n/a	Engcobo Municipality	R 14,555	Not yet received	n/a
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T (021) 914 8880 | F (021) 914 8881

E info@radwes.co.za | W www.rademeyerwesson.co.za

A Tygerforum A | 2de Vloer / 2nd Floor | 53 Willie van Schoor Rylaan / Avenue | Tygervallei / Tyger Valley | 7530

P Posbus / PO Box 5700 | Tygervallei / Tyger Valley | 7536

veerde | Partners: Derick Wesson - Relief Rademeyer - Marius Strydom - Jan Kotze - Minette Louw - Marisa Oosthuizen

M

Name of Retirement Fund: Cape Joint Pension Fund

Reference number : 12/8/1278/2

**SCHEDULE 1
REPORT OF THE INDEPENDENT AUDITORS TO THE REGISTRAR OF PENSION FUNDS ON FACTUAL FINDINGS**

2	We inspected the list of investments held by the fund for any investments that are prohibited in terms of section 19 (4) of the Act.	We found that the fund does not hold investments prohibited in terms of section 19(4) of the Act.
2.1	Where investments held in the participating employer, exceeded 5%, we inspected the appropriate Financial Services Board approval.	We found that the fund holds investments in a participating employer. This investment amounted to R236,891 which does not exceed 5% of total investments.
2.2	We obtained written confirmations of investment balances and agreed details of the confirmations received to the investment balances reflected in the general ledger.	We found that the details of the confirmations received agreed to the investment balances reflected in the general ledger.
3	We obtained the list of housing loans granted to members by the fund in terms of section 19(5) of the Act by the fund as at 30 June 2013 and performed the following procedures:	Not applicable as the fund does not issue housing loans to its members. Guarantees were however issued on behalf of members in favour of FNB as security for housing loans granted to members by the bank. Also refer point 4 below.
3.1	We agreed the loans on the above list to the corresponding account in the general ledger.	Not applicable as the fund does not issue housing loans to its members.
3.2	From the above list, we selected a sample of the lesser of 25 or 10% of housing loans. We determined whether the selected housing loans were granted in terms of the requirements of section 19(5) of the Act, in terms of the security provided and the interest rates applied to the loans.	Not applicable as the fund does not issue housing loans to its members.
3.3	If the fund issued more than 100 loans or the total principal debt of all outstanding loans exceeded R500 000, we determined whether the fund was registered as a credit provider under the National Credit Act, 2005 (the NCA) and whether an assurance report had been issued to the National Credit Regulator in terms of section 16(1)(b) of the NCA and regulations 67 and 68 to the NCA.	Not applicable as the fund does not issue housing loans to its members.
4	We obtained the list of housing loan guarantees granted to members by the fund in terms of section 19(5) of the Act as at 30 June 2013. We selected a sample of the lesser of 25 or 10% of housing guarantees from the list. For the sample selected, we compared the total for guarantees issued on behalf of the members to the total of member individual fund credits, to determine whether the total guarantees issued exceeded the total member individual fund credits allowed in terms of the Act and/or the rules of the fund.	We found that the total guarantees issued did not exceed the total member individual fund credits. Note that in terms of the fund policy, the guarantee is limited to 60% of the member fund credit.
5	We obtained a list of other loans as at 30 June 2013 and determined whether these loans were granted in terms of the requirements of section 19(5)B.	We found that no other loans were granted in terms of the requirements of section 19(5)B.
6	We obtained written confirmation from the fund's insurer that fidelity insurance cover was in place throughout the period ended 30 June 2013.	We found that the confirmation indicated that fidelity insurance cover was in place throughout the period ended 30 June 2013.
7	We obtained the list of section 14 transfers to and from the fund throughout the period ended 30 June 2012, selected a sample of the lesser of 25 or 10% transfers in and the lesser of 25 or 10% transfers out, and performed the following procedures:	
7.1	We agreed the section 14 transfers to and from the fund to the approved section 14 documentation received from the Financial Services Board in respect of each transfer.	Not applicable as there were no section 14 transfers to and from the fund during the period under review.
7.2	We agreed the above list of section 14 transfers to the corresponding account in the general ledger.	Not applicable as there were no section 14 transfers to and from the fund during the period under review.

M

Name of Retirement Fund: Cape Joint Pension Fund

Reference number : 12/8/1278/2

**SCHEDULE 1
REPORT OF THE INDEPENDENT AUDITORS TO THE REGISTRAR OF PENSION FUNDS ON FACTUAL FINDINGS**

7.3	We determined by inspection whether the transfers were received/paid within 60 days of approval and whether the growth and interest return had been allocated from date of receipt/payment.	Not applicable as there were no section 14 transfers to and from the fund during the period under review.
7.4	In respect of unitised funds, we selected a sample of the lesser of 25 or 10% of the members transferred and recalculated the purchase of units for the amount received using the unit price per the administration system on the date of receipt. (Where units were purchased after date of receipt investment return was included from the date of receipt to the date of purchase).	Not applicable as there were no section 14 transfers to and from the fund during the period under review.
8	We obtained a list of accumulated member credits as reflected on the administrator's member register as at 30 June 2013 and performed the following procedures:	
8.1	We agreed the closing balance on the list to the corresponding account in the annual financial statements as at 30 June 2013.	We found that the closing balance on the list of accumulated member credits for the defined contribution members agreed to the corresponding account in the annual financial statements as at 30 June 2013.
8.2	We selected a sample of the lesser of 25 or 10% of the members from the list and performed the following procedures:	
8.2.1	We agreed the member and employer contributions received for the selected members per the administrator's system to information supplied by the participating employers for a sample of 3 months.	We found that the member and employer contributions received per the administrator's system for the members selected agreed to the information supplied by the participating employer for the 3 months selected.
8.2.2	In respect of unitised investment products, we recalculated the conversion of the selected contributions at the unit price per the administration system on the dates that the contributions were invested and determined whether these units were correctly calculated and added to the existing units for the full period.	Not applicable as the fund does not hold unitised investment products and member portfolios are not backed by specific portfolios.
8.2.3	In respect of unitised investment products, we recalculated the conversion of units at the end of the period at the period end unit price and agreed the amount to the member's record on the member register.	Not applicable as the fund does not hold unitised investment products and member portfolios are not backed by specific portfolios.
8.2.4	In respect of unitised investment products, we agreed the period end unit price as authorised in terms of the rules of the fund to the unit prices on the administration system used to calculate the member credits.	Not applicable as the fund does not hold unitised investment products and member portfolios are not backed by specific portfolios.
8.2.5	In respect of non unitised investment products we agreed the return allocated to the member's fund credit on the administrator's records to the return approved in accordance with a resolution of the Board of Trustees or the rules of the fund.	We found that the return allocated to the members' fund credit on the administrator's records agreed to the return approved in accordance with a trustees' resolution and the rules of the fund.

M

Name of Retirement Fund: Cape Joint Pension Fund

Reference number : 12/6/1278/2

**SCHEDULE 1
REPORT OF THE INDEPENDENT AUDITORS TO THE REGISTRAR OF PENSION FUNDS ON FACTUAL FINDINGS**

8.3	We selected a sample of the lesser of 25 or 10% of members who switched between investment portfolios during the period and determined whether the portfolios were correctly switched and that the correct amount was switched in accordance with notification of the member's election. We inspected whether any fees deducted were approved by the Board of Trustees.	Not applicable as members do not have individual investment choices.
8.4	If a surplus apportionment scheme was approved by the FSB in the current period, we selected a sample of the lesser of 25 or 10% from the surplus schedules and we agreed the allocation of the fund surplus of the scheme to the individual allocation in the member records per the administration system.	We found that no surplus apportionment scheme was approved by the FSB during the year under review.
8.5	For unitised investment products where member portfolios are backed by specific portfolios, we agreed the values of investments specified by the members investment choice to the members liabilities per product for that choice and inspected the accuracy of reconciling items.	Not applicable as the fund does not hold unitised investment products and member portfolios are not backed by specific portfolios.
9	We inspected the most recent statutory valuation report to determine whether the fund was under-funded. For under-funded funds we determined whether a scheme, as required in terms of section 18 of Pension Fund Act in South Africa, has been implemented to remedy the shortfall.	We found that in accordance with the draft statutory valuation report as at 30 June 2013 the defined benefit section of the fund had an overall funding level of 99,7%. The defined contribution section of the fund had a funding level of 99,8%. Also refer to note 4 in the Report of the Board of Fund in this regard.
10	We obtained the analysis of the movements in the fund's reserve accounts from the financial statements and performed the following procedures:	
10.1	We agreed the opening balance to the prior year financial statements.	We found that the opening balance agreed to the prior period financial statements.
10.2	We inspected the rules of the fund to determine whether the movements in the fund's reserve accounts were in terms of the rules of the fund and the Act.	We found that the movements in the fund's reserve accounts were in terms of the rules of the fund.
11	We obtained a list of lump sum benefits reflected as expenses in the fund's Statement of Changes in Net Assets and Funds (deaths, retirement, withdrawals and retrenchments) and performed the following procedures:	
11.1	We agreed the list to the respective general ledger benefit expense accounts.	We found that the list agreed to the respective general ledger benefit expense accounts.
11.2	From the above list we selected the lesser of 25 benefits or 10% of the total benefit expenses and performed the following procedures:	
11.2.1	We agreed the claim to the applicable, authorised supporting documentation.	We found that the claims agreed to the applicable, authorised supporting documentation.
11.2.2	For death benefits, where a portion of the benefit was reinsured by the fund, we determined whether the recovery from the insurer had been received by the fund.	We found that the recovery from the insurer was received by the fund.

10

Name of Retirement Fund: Cape Joint Pension Fund

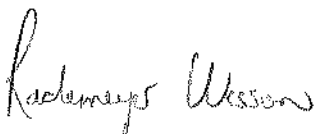
Reference number : 12/8/1278/2

**SCHEDULE I
REPORT OF THE INDEPENDENT AUDITORS TO THE REGISTRAR OF PENSION FUNDS ON FACTUAL FINDINGS**

11.2.3	We agreed the calculation of the benefit payment to the requirements of the rules of the fund and/or the Act. We agreed the opening fund credit for the member to the opening fund credit report and determined whether contributions were added every month until the date of exit. We agreed the balance paid out to the member to the fund credit report or administration system as at the date of exit.	We found that the calculation of the benefit payment agreed to the requirements of the rules of the fund and/or the Act. We found that the opening fund credit for defined contribution members agreed to the opening fund credit report. We found that for defined contribution members and defined benefit members the contributions were added every month until the date of exit and that the balance paid out to member agreed to the fund credit report (defined contribution members) or calculation (defined benefit members) as at the date of exit.
11.2.4	We inspected whether the payments agreed to relevant authorisation.	We found that the payments agreed to relevant authorisation.
12	We obtained a copy of the listing of pensioner's payroll and performed the following procedures:	
12.1	We agreed the total pensions paid to the corresponding account in the general ledger.	We found that the total pensions paid agreed to the corresponding account in the general ledger.
12.2	We selected a sample of the lesser of 25 or 10% of pensions paid from the above list and performed the following procedures:	
12.2.1	We agreed the pensioner increases to authorisation by the Board of Trustees or other relevant supporting documentation.	We found that the pensioner increases agreed to authorisation by the Board of Trustees or other relevant supporting documentation.
12.2.2	We inspected the evidence supporting the fact that the pensioners selected were still alive.	We found that the evidence indicated that the pensioners selected were still alive.
13	Where the fund has reinsured its pensioners with an insurer, we obtained a written confirmation of the pensions paid from the insurer including asset and liability balances and agreed this to the fund's general ledger pension expense, asset and liability accounts.	Not applicable as the fund does not reinsure its pensioners.

As the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the procedures performed. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Our report is solely for regulatory purposes and may not be distributed to, or relied on, by parties other than the Registrar of Pension Funds.



Rademeyer Wesson
Chartered Accountants (S.A.)
Registered Auditors
Per: MJ Strydom
Partner

22 November 2013
TYGER VALLEY

Name of Retirement Fund: Cape Joint Pension Fund

SCHEDULE IA - INVESTMENT SCHEDULE
For the period ended 30 JUNE 2013

Investments ¹	A	B	C	D	E	A+B+C+D+E+V +W+X	V	W	Total Foreign	Total % of foreign exposure	V+W+X+Y+Z									
												Direct investments	Non-compliant investment schemes	Non-compliant insurance policies	Derivative positions without residual risk	Compliant investments	Total	Local	Foreign (excluding Africa)	Total Foreign
	Note M1		Note M2		Note G1		R	R	R	R	R	R	R	R	R	R	R	R	R	
Cash (including cash at bank)	A	157 223 117	66 005 956	12 332 148	0	0	235 561 221	203 799 789	31 761 432	13.48%	235 561 221	203 799 789	31 761 432	31 761 432	13.48%	235 561 221	203 799 789	31 761 432	13.48%	235 561 221
Commodities	B	20 272 141	323 045	0	0	0	20 595 186	20 272 141	323 045	1.57%	20 595 186	20 272 141	323 045	323 045	1.57%	20 595 186	20 272 141	323 045	1.57%	20 595 186
Housing Loans		0	0	0	0	0	0	0	0	0.00%	0	0	0	0	0.00%	0	0	0	0.00%	0
Debt instruments including Islamic debt instruments	C	520 730 323	104 814 752	256 093 486	0	0	881 638 560	718 545 587	163 092 973	18.50%	881 638 560	718 545 587	163 092 973	163 092 973	18.50%	881 638 560	718 545 587	163 092 973	18.50%	881 638 560
Investment and owner occupied properties	D	436 742 591	5 201 014	0	0	0	441 943 605	436 742 591	5 201 014	1.18%	441 943 605	436 742 591	5 201 014	5 201 014	1.18%	441 943 605	436 742 591	5 201 014	1.18%	441 943 605
Equities	E	1 489 201 119	557 639 122	107 423 456	-97 776 926	0	2 060 486 772	1 375 607 192	684 879 580	33.24%	2 060 486 772	1 375 607 192	684 879 580	684 879 580	33.24%	2 060 486 772	1 375 607 192	684 879 580	33.24%	2 060 486 772
Investments in participating employer(s)	H	236 891	0	0	0	0	236 891	236 891	0	0.00%	236 891	236 891	0	0	0.00%	236 891	236 891	0	0.00%	236 891
Other assets	I	10 710 817	3 265 497	-1 179 226	0	0	12 797 088	9 531 591	3 265 497	25.52%	12 797 088	9 531 591	3 265 497	3 265 497	25.52%	12 797 088	9 531 591	3 265 497	25.52%	12 797 088
Hedge Funds	J	25 663 877	0	0	0	0	25 663 877	0	25 663 877	100.00%	25 663 877	0	25 663 877	25 663 877	100.00%	25 663 877	0	25 663 877	100.00%	25 663 877
Private Equity Funds	K	25 454 035	0	0	0	0	25 454 035	25 454 035	0	0.00%	25 454 035	25 454 035	0	0	0.00%	25 454 035	25 454 035	0	0.00%	25 454 035
Derivative Market Instruments		0	0	0	0	0	0	0	0	0.00%	0	0	0	0	0.00%	0	0	0	0.00%	0
Insurance Policies (to Reg 28(3)(c)) ³		0	0	0	0	0	0	0	0	0.00%	0	0	0	0	0.00%	0	0	0	0.00%	0
Certified Regulation 28 compliant investments ⁴	L	0	0	0	0	14 118 128	14 118 128	14 118 128	0	0.00%	14 118 128	14 118 128	0	0	0.00%	14 118 128	14 118 128	0	0.00%	14 118 128
Investments - no information available/provided by entity	N	0	0	0	0	0	0	0	0	0.00%	0	0	0	0	0.00%	0	0	0	0.00%	0
TOTAL INVESTMENTS		2 690 224 911	737 249 385	374 659 865	-97 776 926	14 118 128	3 718 485 362	2 804 307 944	914 177 418	24.58%	3 718 485 362	2 804 307 944	914 177 418	914 177 418	24.58%	3 718 485 362	2 804 307 944	914 177 418	24.58%	3 718 485 362

Name of Retirement Fund: Cape Joint Pension Fund

NOTES TO THE INVESTMENT SCHEDULE- Continued
For the period ended 30 JUNE 2013

A CASH

Instrument	Fair Value R
LOCAL	156 162 667
Notes, deposits, money market Instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments:	
Notes and coins, any balance or deposit in an account held with a South African bank	21 330 794
List issuers/entities which exceeds 5% of total assets	
A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument	0
List issuers/entities which exceeds 5% of total assets	
Any positive net balance in a margin account with an exchange	21 091 292
List issuers/entities which exceeds 5% of total assets	
Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets	113 740 580
List issuers/entities which exceeds 5% of total assets	
FOREIGN	1 060 450
Balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments:	
Any balance or deposit held with a foreign bank	1 060 450
List issuers/entities which exceeds 5% of total assets	
Any balance or deposit held with an African bank	0
List issuers/entities which exceeds 5% of total assets	
A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument	0
List issuers/entities which exceeds 5% of total assets	
Total Cash	167 223 117

B COMMODITIES

Instrument	Local or foreign	Holding number	% Holding	Fair Value R
LOCAL				
Gold (including Kruger Rands)	Local	1 740	4,28%	20 272 141
List issuers/entities which exceeds 5% of total assets				
Other (provide details)				0
Total Commodities				20 272 141

Full details of buy-back transactions in respect of Kruger Rands must be furnished.

C DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS

Instrument	Local or foreign	Secured/ Unsecured	Issued/ Guaranteed	Redemption Value R	Fair Value R
Government debt					
Debt instruments issued by and loans to the government of the Republic and any debt or loan guaranteed by the Republic:	Local				468 578 996
List issuers/entities which exceeds 5% of total assets					
Debt instruments issued or guaranteed by the government of a foreign country:					0
List issuers/entities which exceeds 5% of total assets					
Bank debt					
Debt instruments issued or guaranteed by a South African Bank against its balance sheet:					32 394 487
Listed on an exchange with an issuer market capitalization of R20 billion or more, or an amount or conditions as prescribed					0

Name of Retirement Fund: Cape Joint Pension Fund

NOTES TO THE INVESTMENT SCHEDULE- Continued
For the period ended 30 JUNE 2013

List issuers/entities which exceeds 5% of total assets					
Listed on an exchange with an issuer market capitalization of between R2 billion and R20 billion, or an amount or conditions as prescribed	Local				19 308 671
List issuers/entities which exceeds 5% of total assets					
Listed on an exchange with an issuer market capitalization of less than R2 billion, or an amount or conditions as prescribed	Local				13 085 817
List issuers/entities which exceeds 5% of total assets					
Not listed on an exchange (provide details)					0
Public debt					
Debt instruments issued or guaranteed by a public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) as prescribed:					
					3 082 185
Development Bank of South Africa	Local	Unsecured	Issued	1 648 877	1 835 106
ESKOM	Local	Secured	Issued	158 322	204 960
South African National Roads Agency Limited	Local	Secured	Gauranteed	193 000	518 039
Transnet Limited	Local	Unsecured	Issued	510 429	524 080
Corporate debt (excluding debentures)					
Debt Instruments issued or guaranteed by an entity that has equity listed on an exchange:					
					15 293 770
Listed on an exchange					13 838 296
List issuers/entities which exceeds 5% of total assets	Local				1 390 624
List issuers/entities which exceeds 5% of total assets	Foreign				12 447 672
Not listed on an exchange					1 455 474
Shoprite Investments Pro	Local	Unsecured	Issued	-	563 500
IMPALA PLATINUM HOLDINGS LTD	Local	Unsecured	Issued	-	891 974
Debentures					
0					
Listed on an exchange					0
List issuers/entities which exceeds 5% of total assets					
Not listed on an exchange (provide details)					0
Other					
					1 380 885
Listed on an exchange	Local				1 380 885
List issuers/entities which exceeds 5% of total assets					
Not listed on an exchange (provide details)					0
TOTAL DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS					520 730 323

D INVESTMENT AND OWNER OCCUPIED PROPERTIES

Instrument	Local/Foreign	Fair Value R
Owner occupied properties		0
List issuers/entities which exceeds 5 % of total assets		
Investment properties		0
TOTAL		0

Instrument	Local or foreign	Issued shares	Holding Number	Ordinary/ Preference shares	% Holding	Fair Value R
Shares and linked units in property companies, or units in a collective investment scheme in property, listed on an exchange:						
						83 698 923
issuer market capitalization of R10 billion or more, or an amount or conditions as prescribed	Local					63 228 329
List issuers/entities which exceeds 5% of total assets						

Name of Retirement Fund: Cape Joint Pension Fund

NOTES TO THE INVESTMENT SCHEDULE- Continued
For the period ended 30 JUNE 2013

Issuer market capitalization of between R3 billion and R10 billion, or an amount or conditions as prescribed List issuers/entities which exceeds 5% of total assets	Local					13 984 585
Issuer market capitalization of less than R3 billion, or an amount or conditions as prescribed List issuers/entities which exceeds 5% of total assets	Local					6 485 909
Shares in property companies and linked units in property companies, not listed on an exchange:						353 043 768
Cape Joint Properties (Pty) Ltd						7 918 591
Investment in Newshel 922(Pry) Ltd						345 125 177
TOTAL						436 742 591

Instrument	Local or foreign	Secured by	Interest rate			Fair Value R
Participating mortgage bonds List issuers/entities which exceeds 5% of total assets						
TOTAL						0

TOTAL OF INVESTMENT AND OWNER OCCUPIED PROPERTY	436 742 591
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E EQUITIES

Instrument	Local or foreign	Issued shares	Ordinary/ Preference shares	Holding number	Holding In insurer/ entity %	Fair Value R
Listed equities						1 469 919 706
Issuer market capitalization of R20 billion or more, or an amount or conditions as prescribed List issuers/entities which exceeds 5% of total assets	Local					1 232 169 286
List issuers/entities which exceeds 5% of total assets	Foreign					26 519 742
Issuer market capitalization of between R2 billion and R20 billion, or an amount or conditions as prescribed List issuers/entities which exceeds 5% of total assets	Local					302 460 818
Issuer market capitalization of less than R2 billion, or an amount or conditions as prescribed List issuers/entities which exceeds 5% of total assets	Local					-71 230 139
Unlisted equities (provide details)						3 281 413
ELE	Local	103 821 000	Ordinary	169 145	0.16%	3 281 413
TOTAL EQUITIES						1 493 201 119

NOTES TO THE INVESTMENT SCHEDULE - Continued

30 JUNE 2013

G DIRECT DERIVATIVE MARKET INSTRUMENTS

G1 DERIVATIVE POSITIONS WITHOUT RESIDUAL RISK

Instrument	Local or Foreign	Listed or Unlisted	Strike price	Cost or premium	Fair value	Effective Economic Exposure		Potential Loss	Potential Gain	Exchange rate	Fixed rate or Variable rate	Counter-party	Counter-party %	Expiry date	Holding number	Holding %
						Gross	Nett									
Options e.g. put/call					R											
- ALSI SEPT 13 PUT OPTION	local	Listed	32 600	26 300	25 124	-35 822 122	-35 822 122	-	26 300	-	-	SAFEX	-	19-Sep-13	4	
Futures/Forward SAFEX																
- Index Future ALSFU12 (Investec DC)	Local	Listed	-	-	-38 981 600	-	-	-	-	-	-	JSE	-	-	-112	
- Index Future ALSFU12 (Investec AO)	Local	Listed	-	-	-58 820 450	-	-	-	-	-	-	JSE	-	-	-189	
Currency swaps																
Interest rate swaps																
Forward rate agreements																
Equity linked Instruments																
Other (Provide details)																
TOTAL					-97 776 926											

Name of Retirement Fund: Cape Joint Pension Fund

NOTES TO THE INVESTMENT SCHEDULE - Continued
For the period ended 30 JUNE 2013

H INVESTMENTS IN PARTICIPATING EMPLOYERS

Instrument	Notes ¹	Local or Foreign	Holding number	Holding %	Interest rate	Secured by	Listed/not listed	Issued/ Guaranteed	Fair value R
Cash									
Commodities									
Housing Loans									
Debt Instruments		Local							236 891
SUBTOTAL									236 891

Instrument	Local or Foreign	Address	Valuation method	Date of last valuation	Pledged as a guarantee	Fair value R
Investment properties and owner occupied properties						
SUBTOTAL						0

Instrument	Local or Foreign	Issued shares	Holding number	Holding %	Listed/not listed	Fair value R
Equities						
Hedge funds						
Private equity						
Other (Provide detail)						
SUBTOTAL						0

TOTAL FOR INVESTMENT IN PARTICIPATING EMPLOYERS						236 891
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NOTES TO THE INVESTMENT SCHEDULE - Continued
For the period ended 30 JUNE 2013

I OTHER ASSETS

Instrument	Local or Foreign	Holding number	Holding %	Fair value R
(Provide details)				
Loan to Cape Joint Properties	Local	50	50%	4 601 488
Perpetrue	Local	-	-	6 109 319
Total other portfolio assets				10 710 817

J HEDGE FUNDS

Instrument	Local or Foreign	Structure	Holding %	Leverage/ Gearing	Term of contract	Period into contract	Total value of commitment R	Current value of commitment R
Hedge Funds								
EPISODA - CLASS A (Prudential Real Return Foreign)	Foreign	-	1.38%	2.5	-	19-02-2013	2 232 276	2 232 276
Funds of Hedge Funds								
All Seasons Special Purpose Vehicle ASARF1	Foreign	-	66.13%	-	-	-	-	807 683
All Seasons Special Purpose Vehicle ASARF2	Foreign	-	67.96%	-	-	-	-	242 399
All Seasons Special Purpose Vehicle ASSGF	Foreign	-	54.53%	-	-	-	-	806 657
Coronation Elger Fund	Foreign	Other	4.03%	-	-	-	-	10 000 172
Coronation Redwood Fund	Foreign	Other	4.07%	-	-	-	-	10 104 996
TriAlpha Realisation Fund	Foreign	Other	1.70%	-	-	-	-	1 459 703
Total Hedge Funds commitment								26 653 877

The Hedge fund structure will be classified as:

- Partnerships
- Trusts
- Other - Section 5(2)(e)

Name of Retirement Fund: Cape Joint Pension Fund

NOTES TO THE INVESTMENT SCHEDULE - Continued
For the period ended 30 JUNE 2013

K PRIVATE EQUITY FUNDS

Instrument	Local or Foreign	Structure	Category 2 approval	FAS approval number	Holding %	Term of contract	Number of permitted draw-downs as per contract	Number of permitted draw-downs exercised	Number of draw-downs exceeded (if any)	Total value of commitment R	Current value of commitment R
Private Equity Fund (Provide details) African Infrastructure Investment Fund Funds of Private Equity Fund (Provide details)	Local	Trust	-	-	1.99%	15 years	-	6%	-	25 000 000	25 454 035
Total Private Equity funds commitment											25 454 035

The Private Equity funds structure will be classified as:

- Partnerships
- Trusts
- Other - Section S(2)(e)

Name of Retirement Fund: Cape Joint Pension Fund

NOTES TO THE INVESTMENT SCHEDULE - Continued

For the period ended 30 JUNE 2013

L CERTIFIED REGULATION 28 COMPLIANT INVESTMENTS

Instrument	Local or Foreign	Fair value R
Collective Investment Schemes - regulation 28 (8)(b)(i)	Local	14 118 128
Linked policies - regulation 28 (8)(b)(ii)		
Non Linked policies - regulation 28 (8)(b)(iii)		
Regulated entities - regulation 28 (8)(b)(iv)		
Total certified regulation 28 compliant investments		14 118 128

Note 1:

List issuers/entities which exceeds 5% of total assets

M REGULATION 28 NON-COMPLIANT INVESTMENTS

M1 NON-COMPLIANT COLLECTIVE INVESTMENT SCHEMES

Instrument	Local or Foreign	% Holding	Fair value R
Aberdeen World Equity Fund	Foreign	1.01%	412 229 769
Coronation Absolute Bond ABBO01	Local	0.73%	50 909 897
Coronation Absolute World Opp FD CAWO01	Foreign	1.30%	16 495 595
Coronation Absolute World Opp FD CAWO01	Local	0.01%	168 651
Coronation Active Cash	Local	0.13%	14 661 927
Coronation Global Equity FOF class Z	Foreign	1.67%	24 747 982
Coronation Global Equity FOF class Z	Local	-0.01%	-98 255
Investec Global Opportunity Equity I Inc	Foreign	1.62%	134 287 402
Investec Global Opportunity Inc FOF	Foreign	0.70%	46 000 210
Investec Global Opportunity Inc FOF	Local	0.00%	-78 721
Investec Internal Money Fund	Local	0.70%	32 837 621
Momentum Pooled Cash Fund	Local	1.62%	1 865 549
The Glanmore Property Fund Ltd	Foreign	-	3 221 758
Total Non-compliant Collective investment schemes			737 249 385

Name of Retirement Fund: Cape Joint Pension Fund

NOTES TO THE INVESTMENT SCHEDULE - Continued

For the period ended 30 JUNE 2013

M2 NON-COMPLIANT INSURANCE POLICIES

Instrument	Local or Foreign	% Holding	Fair value R
Linked policies			
Prudential Life International Conservative Balanced Fund	Foreign	96.52%	211 512 960
Prudential Life International Conservative Balanced Fund	Local	3.48%	7 633 097
Futuregrowth (Pty) Ltd	Local	2.01%	155 523 808
Non-linked policies			
(provide details)			0
Total non-compliant Insurance policies			374 669 864

List all non-compliance(s) with the Notices

N INVESTMENTS - NO INFORMATION AVAILABLE / PROVIDED BY ENTITIES

Investment manager/CIS/Insurer responsible for not providing information on investment(s)/portfolio	Fair value	Reasons
Provide details		-Previous period compliant portfolio -Previous period non-compliant portfolio -Foreign portfolio -Other

Name of Retirement Fund:

Cape Joint Pension Fund

NOTES TO THE INVESTMENT SCHEDULE - Continued
For the period ended

30 JUNE 2013

O ENTITY/COUNTERPARTY EXPOSURE
Credit / counter party

Counter Party	Direct investment in counter party		Deposit / liquid asset with counter party		Open financial instruments market to market value		Any other instrument		Total per Counter Party		Exposure to counter party as a % of the fair value of the assets of the fund
	R		R		R		R		R		
Banks											
- FNB current account	7 053 091	0	0	0	0	0	0	0	7 053 091	0	0.19%
- ABSA call account	6 271	0	0	0	0	0	0	0	6 271	0	0.00%
Asset managers - Local											
- Prudential Portfolio Managers SA	0	-182 247	0	25 124	82 840 707	0	0	0	82 683 584	0	2.21%
- Momentum (previously RMB) Asset Management (Pty) Ltd	0	82 419	0	0	1 865 549	0	0	0	1 947 968	0	0.05%
- Coronation Asset Management (Pty) Ltd	0	16 028 735	0	0	128 446 440	0	0	0	144 475 175	0	3.85%
- Investec Asset Management Ltd	0	116 358 086	0	-97 802 050	296 944 618	0	0	0	315 500 654	0	8.42%
- African Infrastructure Investment Managers	0	0	0	0	25 454 035	0	0	0	25 454 035	0	0.68%
- Brait SA Ltd	0	0	0	0	0	0	0	0	0	0	0.00%
- JHI	0	0	0	0	345 125 177	0	0	0	345 125 177	0	9.21%
- Colourfield Liability Solutions (Pty) Ltd	0	3 685 130	0	0	368 886 441	0	0	0	372 571 571	0	9.94%
- Peregrine Equities (Pty) Ltd	0	14 191 631	0	0	6 109 319	0	0	0	20 300 950	0	0.54%
Asset managers - Foreign											
- All Seasons Capital Management Ltd	0	0	0	0	1 856 730	0	0	0	1 856 730	0	0.05%
- Tilney Asset Management Int Ltd (previously Riverstone Distribution Services)	0	0	0	0	3 221 758	0	0	0	3 221 758	0	0.09%
- TriAlpha Asset Management Ltd	0	0	0	0	1 459 703	0	0	0	1 459 703	0	0.04%
- Aberdeen Asset Management	0	0	0	0	412 229 769	0	0	0	412 229 769	0	11.00%
Insurance Companies											
- Prudential Portfolio Managers	0	0	0	0	219 146 057	0	0	0	219 146 057	0	5.85%
- Futuregrowth (Pty) Ltd	0	0	0	0	155 523 808	0	0	0	155 523 808	0	4.15%
Participating employers											
- City Of Cape Town	236 891	0	0	0	0	0	0	0	236 891	0	0.01%
Other											
- Arrear contributions	10 958 870	0	0	0	0	0	0	0	10 958 870	0	0.29%
- Loan to CJP	4 601 498	0	0	0	0	0	0	0	4 601 498	0	0.12%
- Cape Joint Properties	7 918 591	0	0	0	0	0	0	0	7 918 591	0	0.21%
	30 775 211	150 163 755	-97 776 926	2 049 347 000	2 132 272 150	56.89%					

Name of Retirement Fund: Cape Joint Pension Fund

NOTES TO THE INVESTMENT SCHEDULE - Continued

For the period ended 30 JUNE 2013

Market risk

EQUITY HOLDINGS

List the 10 largest rand-value equity holdings

Investment	Fair value at end of period	Open financial instruments marked to market value	Total fair value equity holdings and open instruments	Market movement by 5%
		R	R	R
Mtn Group	135 800 648		135 800 648	6 790 032
British American TobaCCO PLC	110 134 791		110 134 791	5 506 740
Sasol	105 567 630		105 567 630	5 278 382
Naspers	88 316 860		88 316 860	4 415 843
Sab Miller Plc	76 643 040		76 643 040	3 832 152
Anglo American Plc	66 648 882		66 648 882	3 332 444
Standard Bank Group Limited	62 482 199		62 482 199	3 124 110
Compagnie Fin Richemont	60 523 354		60 523 354	3 026 168
Mondi Plc	35 280 360		35 280 360	1 764 018
Medi-Clinic Corporation Limited	32 505 566		32 505 566	1 625 278
Total value of 10 largest equity holdings			773 903 330	38 695 167
Total movement as % of non-current assets plus bank				1.04%

OTHER FINANCIAL INSTRUMENTS

List the 10 largest rand-values other financial instruments

Instrument	Holding	Fair value at end of period	Market movement by 5%
		R	R
Government bonds		425 245 901	21 262 295
Aberdeen World Equity Fund		412 229 769	20 611 488
Investment in Newshelf 922 (Pty) Ltd		345 125 177	17 256 259
Prudential Life International Conservative Balanced Fund		219 146 057	10 957 303
Futuregrowth (Pty) Ltd		155 523 808	7 776 190
Investec Global Opportunity Equity I Inc		134 287 402	6 714 370
Cash local: Settlement Accounts		100 073 526	5 003 676
Coronation Absolute Bond ABBO01		50 909 897	2 545 495
Parastatal bonds		46 415 280	2 320 764
Investec Global Opportunity Inc FOF		45 921 489	2 296 074
Total value of 10 largest other instruments		1 934 878 305	96 743 915
Total movement as % of non-current assets plus bank			2.60%

Name of Retirement Fund: Cape Joint Pension Fund

NOTES TO THE INVESTMENT SCHEDULE - Continued

For the period ended 30 JUNE 2013

Foreign currency exposure

Foreign instruments	Description	Fair value at end of period R	Market movement by 5% R
Aberdeen World Equity Fund		412 229 769	20 611 488
Prudential Life International Conservative Balanced Fund		211 512 960	10 575 648
Investec Global Opportunity Equity I Inc		134 287 402	6 714 370
Investec Global Opportunity Inc FOF		46 000 210	2 300 011
Coronation Global Equity FOF Class Z		24 747 982	1 237 399
Coronation Absolute World Opp FD CAWO01		16 495 595	824 780
Coronation Redwood Fund		10 104 996	505 250
Coronation Eiger Fund		10 000 172	500 009
The Glanmore Property Fund Ltd		3 221 758	161 088
Prudential Real Return Foreign		42 260 045	2 113 002
All Seasons special Purpose Fund		1 856 729	92 836
TriAlpha Realisation Fund		1 459 703	72 985
CSHCUSDSETA ABSA USD Settlement account (Coronation Global Abs)		95	5
Total value of foreign instruments		914 177 418	45 708 871
Total movement as % of non-current assets plus bank			1.23%

Hedging portfolio

Hedged item per category	Hedging instrument	Marked to market profit/loss R	Disclosure

Name of Retirement Fund:

Cape Joint Pension Fund

SCHEDULE 1B

ASSETS HELD IN COMPLIANCE WITH REGULATION 28 AS AT 30 June 2013

	R
A Total assets of the fund as per Statement of Net Assets and Funds	3 747 841 637
B Less: Items of Statement of Net Assets and Funds:	29 356 276
B.1 Plant and Equipment	0
B.2 Current Assets (excluding cash at bank)	29 356 276
C Value of corresponding assets per Statement of funds and net assets	3 718 485 362

Categories of kinds of assets	%	Fair value	
		R	%
1 CASH	100%	235 561 221	6.33%
1.1 Local notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments	100%	203 799 789	5.48%
(a) Notes and coins, any balance or deposit in an account held with a South African bank		40 190 450	1.08%
Standard Bank Cell Account	25%	14 271 432	0.38%
Absa Cell Account (direct)	25%	6 271	0.00%
FNB Current Account	25%	7 053 091	0.18%
Coronation Absolute Bond ABBO01	25%	274 880	0.01%
Coronation Active Cash	25%	2 836 591	0.08%
Coronation Global Equity FOF class Z	25%	-245 182	-0.01%
Investec Internal Money Fund	25%	5 775 237	0.16%
Momentum Pooled Cash Fund	25%	22 832	0.00%
Futuregrowth Infrastructure & Development Bond Fund	25%	2 585 789	0.07%
Cash Settlement - Derivative Cash Backing (Prudential Life International Conservative Balanced Fund)	25%	1 596	0.00%
Standard Bank (Prudential Life International Conservative Balanced Fund)	25%	7 628 094	0.21%
(b) A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument		28 660 993	0.77%
Coronation Absolute Bond ABBO01	25%	894 924	0.02%
Coronation Active Cash	25%	8 023 043	0.22%
Investec Internal Money Fund	25%	19 101 468	0.51%
Momentum Pooled Cash Fund	25%	641 528	0.02%
(c) Any positive net balance in a margin account with an exchange		21 094 690	0.57%
Safex Rand Margin Account	25%	6 681 105	0.18%
Yield-X Margin Account	25%	218 557	0.01%
Safex (Peregrine)	25%	14 191 631	0.38%
Safex - RMB (Prudential Life International Conservative Balanced Fund)	25%	3 407	0.00%
(d) Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets		113 653 676	3.08%
Absa Bank Settlement Account	25%	113 740 560	3.08%
Coronation Absolute Bond ABBO01	25%	-15 051	0.00%
Coronation Active Cash	25%	-341 860	-0.01%
Coronation Absolute World Opp FD CAWO01	25%	207 729	0.01%
Investec Global Opportunity Inc FOF	25%	-78 721	0.00%
Investec Internal Money Fund	25%	340 999	0.01%
1.2 Foreign balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	25%	31 761 432	0.85%
(e) Any balance or deposit held with a foreign bank	5%	31 761 432	0.85%
CSHCUSDSETA ABSA USD Settlement account (Coronation Global Abs)	5%	96	0.00%
HSBC Ltd (Prudential Life International Conservative Balanced Fund)	5%	2 133 263	0.06%
BONY (Prudential Real Return Foreign)	5%	1 060 355	0.03%
European Euro - Traded (Aberdeen World Equity Fund)	5%	-42 479	0.00%
Japanese Yen - Traded (Aberdeen World Equity Fund)	5%	102 509	0.00%
US Dollar - Traded (Aberdeen World Equity Fund)	5%	61 478	0.00%
South Africa Rand - Traded (Aberdeen World Equity Fund)	5%	-1 168 942	-0.03%

SCHEDULE 1B

ASSETS HELD IN COMPLIANCE WITH REGULATION 28 AS AT 30 June 2013

European Euro - Outstanding Subscriptions (Aberdeen World Equity Fund)	5%	141 877	0.00%	
United Kingdom Pound - Outstanding Subscriptions (Aberdeen World Equity Fund)	5%	2 547	0.00%	
US Dollar - Outstanding Subscriptions (Aberdeen World Equity Fund)	5%	2 542 387	0.07%	
European Euro - Outstanding Redemptions (Aberdeen World Equity Fund)	5%	-61 915	0.00%	
United Kingdom Pound - Outstanding Redemptions (Aberdeen World Equity Fund)	5%	-19 973	0.00%	
US Dollar - Outstanding Redemptions (Aberdeen World Equity Fund)	5%	-1 320 181	-0.04%	
European Euro - Settled (Aberdeen World Equity Fund)	5%	36 679	0.00%	
United Kingdom Pound - Settled (Aberdeen World Equity Fund)	5%	184 541	0.06%	
Hong Kong Dollar - Settled (Aberdeen World Equity Fund)	5%	82 645	0.00%	
Japanese Yen - Settled (Aberdeen World Equity Fund)	5%	134 278	0.00%	
New Taiwan Dollar - Settled (Aberdeen World Equity Fund)	5%	1 299	0.00%	
US Dollar - Settled (Aberdeen World Equity Fund)	5%	4 243 102	0.11%	
South Africa Rand - Settled (Aberdeen World Equity Fund)	5%	437 797	0.01%	
Coronation Absolute World Opp FD CAW001	5%	734 386	0.02%	
Coronation Global Equity FOF class Z	5%	316 599	0.01%	
Investec Global Opportunity Inc FOF	5%	14 060 395	0.38%	
Investec Global Opportunity Equity Inc	5%	8 093 691	0.22%	
(b) Any balance or deposit held with an African bank	5%	0	0.00%	
(c) A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument	5%	0	0.00%	
2 DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS		881 638 560	23.71%	
2.1 Inside the Republic	100%	718 545 587	19.32%	
(a) Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic	100%	540 775 774	14.54%	
Segregated Portfolios		425 246 901	11.44%	
Coronation Absolute Bond ABBO01		3 755 161	0.10%	
Coronation Active Cash		2 249 853	0.06%	
Futuregrowth Infrastructure & Development Bond Fund		66 013 665	1.78%	
Momentum Pooled Cash Fund		178 099	0.00%	
Eskom		43 333 095	1.17%	
(b) Debt instruments issued or guaranteed by the government of a foreign country	10%	-39 078	0.00%	
Coronation Absolute World Opp FD CAW001		-39 078	0.00%	
(c) Debt instruments issued or guaranteed by a South African Bank against its balance sheet	75%	82 084 602	2.21%	
(c)(i) Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	47 403 302	1.27%	
Coronation Absolute Bond ABBO01	25%	39 665 333	1.07%	
Coronation Active Cash	25%	1 162 195	0.03%	
Futuregrowth Infrastructure & Development Bond Fund	25%	3 010 908	0.08%	
Investec Internal Money Fund	25%	3 472 954	0.09%	
Momentum Pooled Cash Fund	25%	91 913	0.00%	
(c)(ii) Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	19 343 088	0.52%	
African Bank	ABL02	15%	6 381 836	0.17%
African Bank	ABL05	15%	11 329 685	0.30%
Standard Bank	SBS10	15%	1 597 150	0.04%
Momentum Pooled Cash Fund		15%	34 397	0.00%
(c)(iii) Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	75%	15 022 581	0.40%	
ABSA	ABS12	10%	729 194	0.02%
ABSA	ABS11	10%	2 165 878	0.06%
African Bank	ABLS3	10%	300 224	0.01%

SCHEDULE 1B

ASSETS HELD IN COMPLIANCE WITH REGULATION 28 AS AT 30 June 2013

	Firststrand Ltd	FRX24	10%	1 198 135	0.03%
	Investec	IBL36	10%	1 374 320	0.04%
	Standard Bank	SBK11	10%	3 180 178	0.09%
	Standard Bank	SSN005	10%	3 382 261	0.09%
	Capitec Bank	CDL22	15%	755 628	0.02%
	Futuregrowth Infrastructure & Development Bond Fund		10%	1 936 784	0.05%
(c)(iv)	Not listed on an exchange		25%	315 651	0.01%
	Futuregrowth Infrastructure & Development Bond Fund		5%	198 443	0.01%
	Momentum Pooled Cash Fund		5%	117 209	0.00%
(d)	Debt instruments issued or guaranteed by an entity that has equity listed on an exchange, or debt instruments issued or guaranteed by a public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) as prescribed:-		50%	35 061 786	0.94%
(d)(i)	Listed on an exchange		50%	32 731 629	0.88%
	Development Bank Of SA		10%	1 635 106	0.05%
	Eskom		10%	204 980	0.01%
	The Sa National Roads Agency		10%	518 039	0.01%
	Transnet		10%	524 080	0.01%
	Eqstra Corporation		10%	393 923	0.01%
	Netcara (Clindab) Investments		10%	500 841	0.01%
	SABSA HOLDINGS (PTY) LTD		10%	495 860	0.01%
	Coronation Absolute Bond ABBO01		10%	6 294 337	0.17%
	Coronation Active Cash		10%	316 098	0.01%
	Futuregrowth Infrastructure & Development Bond Fund		10%	20 965 972	0.58%
	Investec Internal Money Fund		10%	406 296	0.01%
	Momentum Pooled Cash Fund		10%	277 115	0.01%
(d)(ii)	Not listed on an exchange		25%	2 330 157	0.06%
	Shoprite Investments Pro		5%	563 500	0.02%
	IMPALA PLATINUM HOLDINGS LTD		5%	691 974	0.02%
	Futuregrowth Infrastructure & Development Bond Fund		5%	632 523	0.02%
	Momentum Pooled Cash Fund		5%	42 160	0.00%
(e)	Other debt instruments		25%	60 662 503	1.63%
(e)(i)	Listed on an exchange		25%	20 078 229	0.54%
	CPV Power Platinum		10%	228 286	0.01%
	Ekurhuleni Metro Municipality		6%	1 152 598	0.03%
	Coronation Absolute Bond ABBO01		5%	12 685	0.00%
	Coronation Active Cash		5%	130 898	0.00%
	Futuregrowth Infrastructure & Development Bond Fund		5%	14 351 802	0.39%
	Investec Internal Money Fund		5%	3 741 664	0.10%
	Momentum Pooled Cash Fund		5%	460 496	0.01%
(e)(ii)	Not listed on an exchange		15%	40 584 274	1.09%
	Coronation Absolute Bond ABBO01		5%	27 629	0.00%
	Coronation Active Cash		5%	285 110	0.01%
	Futuregrowth Infrastructure & Development Bond Fund		5%	40 271 535	1.08%
2.2	Outside the Republic			163 092 973	4.39%
(a)	Debt instruments issued or guaranteed by a South African Bank against its balance sheet		25%	6 995 314	0.19%
(e)(i)	Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed		25%	6 995 314	0.19%
	Coronation Absolute World Opp FD CAWO01		25%	6 995 314	0.19%
(e)(ii)	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed		25%	0	0.00%

SCHEDULE IB

ASSETS HELD IN COMPLIANCE WITH REGULATION 28 AS AT 30 June 2013

-per issuer	15%		0	0.00%
(a)(iii) Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	25%		0	0.00%
-per issuer	10%		0	0.00%
(a)(iv) Not listed on an exchange	25%		0	0.00%
- per issuer	5%		0	0.00%
(b) Debt instruments issued or guaranteed by an entity that has equity listed on an exchange	25%		123 744 750	3.33%
(b)(i) Listed on an exchange	25%		123 744 750	3.33%
ECBFA CLASS X ACCUM (Prudential Life International Conservative Balanced Fund)	10%		30 484 750	0.82%
SCORA STRATEGIC CORP BOND A UNI (Prudential Life International Conservative Balanced Fund)	10%		11 653 814	0.31%
USHYBFD IOF US HIGH YIELD BF - D (Prudential Life International Conservative Balanced Fund)	10%		30 448 004	0.82%
USIG US INV GRADE CLASS D (Prudential Life International Conservative Balanced Fund)	10%		35 925 506	0.97%
ECBFA CLASS X ACCUM (Prudential Real Return Foreign)	10%		2 556 324	0.07%
SCORA STRATEGIC CORP BOND A UNI (Prudential Real Return Foreign)	10%		989 831	0.03%
USHYBFD IOF US HIGH YIELD BF - D (Prudential Real Return Foreign)	10%		5 888 811	0.16%
USIG US INV GRADE CLASS D (Prudential Real Return Foreign)	10%		3 033 006	0.08%
Coronation Absolute World Opp FD CAW001	10%		2 785 013	0.07%
(b)(ii) Not listed on an exchange	25%		0	0.00%
-per issuer	5%		0	0.00%
(c) Other debt instruments:-	25%		32 352 800	0.87%
(c)(i) Listed on an exchange	25%		32 352 800	0.87%
Coronation Absolute World Opp FD CAW001	5%		456 823	0.01%
investec Global Opportunity Inc FOF	5%		31 896 077	0.86%
(c)(ii) Not listed on an exchange	25%		0	0.00%
-per issuer	5%		0	0.00%
3 EQUITIES	75%		2 080 488 772	58.04%
3.1 Inside the Republic	75%		1 375 607 192	39.62%
(a) Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange	75%		1 366 830 429	39.39%
(a)(i) Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%		1 134 539 287	30.51%
ALSI JUN 13 PUT 32700 (Prudential Real Return Foreign)	15%		25 124	0.00%
AGL	15%		66 648 882	1.79%
ANG	15%		2 065 965	0.06%
ARI	15%		6 130 875	0.16%
ASA	15%		12 987 810	0.35%
ASR	15%		30 729 600	0.83%
BAT	15%		4 884 579	0.13%
BIL	15%		31 843 089	0.86%
BTI	15%		110 134 791	2.96%
BVT	15%		5 357 546	0.14%
CFR	15%		60 523 354	1.63%
CML	15%		3 735 759	0.10%
DST	15%		12 156 564	0.33%
EXX	15%		11 603 891	0.31%
FSR	15%		15 424 521	0.41%
GFI	15%		299 594	0.01%
IMP	15%		27 285 456	0.73%
INP	15%		24 239 782	0.65%
IPL	15%		3 748 309	0.10%
LON	15%		7 055 741	0.19%

SCHEDULE 1B

ASSETS HELD IN COMPLIANCE WITH REGULATION 28 AS AT 30 June 2013

MDC	15%	32 605 666	0.87%
MMI	15%	7 079 858	0.19%
MNP	15%	35 280 360	0.95%
MPC	15%	4 428 667	0.12%
MTN	15%	135 800 648	3.65%
NBEXX1	15%	1 770 884	0.05%
NED	15%	17 759 599	0.48%
NPN	15%	88 316 860	2.38%
NTC	15%	11 778 163	0.32%
OML	15%	16 080 136	0.43%
REI	15%	1 604 969	0.04%
REM	15%	2 168 659	0.06%
RMH	15%	9 997 829	0.27%
RMI	15%	2 619 994	0.07%
SAB	15%	76 643 040	2.08%
SBK	15%	62 482 199	1.68%
SHF	15%	20 238 170	0.54%
SNT	15%	14 883 941	0.40%
SOL	15%	105 567 630	2.84%
TBS	15%	27 727 014	0.75%
TFG	15%	11 489 958	0.31%
TRU	15%	2 415 123	0.06%
TSH	15%	2 933 667	0.08%
WHL	15%	5 938 216	0.16%
Coronation Global Equity FOF class Z	15%	146 907	0.00%
(a)(ii) Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	302 481 723	8.13%
ABL	15%	5 634 855	0.15%
ABSP	10%	2 711 632	0.07%
ACL	10%	5 318 304	0.14%
ADH	10%	3 781 134	0.10%
ADR	10%	1 262 523	0.03%
AEG	10%	2 960 339	0.08%
AFE	10%	18 845 899	0.51%
AFX	10%	5 865 867	0.16%
AIP	10%	6 441 500	0.17%
ALT	10%	1 877 445	0.05%
ARL	10%	4 458 869	0.12%
ATN	10%	184 849	0.00%
ATNP	10%	2 851 510	0.08%
AVI	10%	9 615 562	0.26%
BAW	10%	9 617 897	0.26%
CLH	10%	860 760	0.02%
CLR	10%	1 543 422	0.04%
CLS	10%	7 155 644	0.19%
CMP	10%	572 852	0.02%
CVH	10%	3 466 339	0.09%
EQS	10%	4 226 456	0.11%
FBR	10%	7 087 584	0.19%
FSRP	10%	2 047 767	0.06%
GND	10%	1 157 982	0.03%
GRF	10%	6 354 458	0.17%
HCI	10%	6 642 592	0.18%
HDC	10%	2 597 531	0.07%
ILV	10%	10 657 897	0.29%
INL	10%	2 840 772	0.08%
INPR	10%	1 364 689	0.04%

Name of Retirement Fund:

Cape Joint Pension Fund

SCHEDULE IB

ASSETS HELD IN COMPLIANCE WITH REGULATION 28 AS AT 30 June 2013

MIX	10%	2 887 619	0.08%
MND	10%	13 802 949	0.37%
MPT	10%	2 996 799	0.08%
MUR	10%	1 706 377	0.05%
NBKP	10%	717 317	0.02%
NGPLT	10%	462 700	0.01%
NHM	10%	12 149 472	0.33%
OCE	10%	6 680 696	0.18%
OMN	10%	15 169 194	0.41%
PAN	10%	2 636 369	0.07%
PIG	10%	10 089 762	0.27%
PGR	10%	2 251 030	0.06%
PIK	10%	1 314 275	0.04%
PPC	10%	2 195 553	0.06%
PWK	10%	4 842 905	0.13%
RBW	10%	1 950 667	0.05%
RBX	10%	1 297 187	0.03%
RLO	10%	6 594 054	0.18%
SAP	10%	14 362 255	0.38%
SBPP	10%	1 016 204	0.03%
SPG	10%	1 634 876	0.04%
SPP	10%	4 944 908	0.13%
SUI	10%	6 527 008	0.18%
SUR	10%	6 726 153	0.23%
TMG	10%	1 306 796	0.04%
TON	10%	8 599 009	0.23%
TRE	10%	23 215 343	0.62%
WBO	10%	760 655	0.02%
ZED	10%	1 663 967	0.04%
Futuregrowth Infrastructure & Development Bond Fund	10%	20 905	0.00%
(a)(iii) Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	75%	-70 190 660	0.74%
Index Future ALSFU13 (Investec AQ)	15%	-58 820 460	-1.58%
Index Future ALSFU13 (Investec DC)	15%	-38 981 600	-1.05%
APK	5%	935 675	0.03%
BATP	5%	1 180 000	0.03%
BCX	5%	543 080	0.01%
BDM	5%	1 064 346	0.03%
BSR	5%	1 721 087	0.05%
COM	5%	289 841	0.01%
DAW	5%	2 254 126	0.06%
DGC	5%	496 022	0.01%
DSBP	5%	86 400	0.00%
DTA	5%	197 715	0.01%
ESR	5%	577 007	0.02%
HLM	5%	1 577 327	0.04%
HSP	5%	622 781	0.02%
ILA	5%	843 765	0.02%
INLP	5%	1 101 013	0.03%
INPPR	5%	113 664	0.00%
KEL	5%	165 871	0.00%
MDI	5%	671 288	0.02%
MFL	5%	4 897 162	0.13%
NBAGL5	5%	272 610	0.01%
NIV	5%	102 758	0.00%
PGFP	5%	32 500	0.00%
RACP	5%	165 970	0.00%

SCHEDULE 1B

ASSETS HELD IN COMPLIANCE WITH REGULATION 20 AS AT 30 June 2013

SKY	5%	7 708	0.00%
SNU	5%	1 189 629	0.03%
SOV	5%	1 748 700	0.05%
SSK	5%	2 150 297	0.06%
YRK	5%	1 461 571	0.04%
Futuregrowth Infrastructure & Development Bond Fund	5%	1 039 578	0.03%
(b) Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	8 776 762	0.24%
ELE	3%	3 281 413	0.09%
Futuregrowth Infrastructure & Development Bond Fund	3%	5 495 349	0.15%
3.2 Outside the Republic	25%	684 879 580	18.42%
(a) Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange	25%	880 398 767	18.30%
(a)(i) Issuer market capitalisation of R20 billion or more, or on amount or conditions as prescribed	25%	536 349 229	14.42%
AMUNDI INT SICAV CLASS X (Prudential Life International Conservative Balanced Fund)	15%	20 275 031	0.56%
ISHARES DAX ETF (Prudential Life International Conservative Balanced Fund)	15%	1 896 573	0.05%
ISHARES MSCI ACWI INDEX F (Prudential Life International Conservative Balanced Fund)	15%	5 121 357	0.14%
ISHARES MSCI SK CAPPED (Prudential Life International Conservative Balanced Fund)	15%	3 100 070	0.08%
M&G ASIAN FUND GBP A (Prudential Life International Conservative Balanced Fund)	15%	6 915 738	0.19%
M&G EURO STRAT VALU GBP A (Prudential Life International Conservative Balanced Fund)	15%	12 247 912	0.33%
M&G GLOBAL DIV A ACCUM (Prudential Life International Conservative Balanced Fund)	15%	10 086 280	0.27%
M&G JAPAN FUND STERLING A (Prudential Life International Conservative Balanced Fund)	15%	3 553 321	0.10%
M&G NORTH AMERICA ACCUM (Prudential Life International Conservative Balanced Fund)	15%	11 508 319	0.31%
M&G RECOVERY FUND ACCUM (Prudential Life International Conservative Balanced Fund)	15%	7 985 844	0.21%
SANLAM GLOBAL FIN FUND C (Prudential Life International Conservative Balanced Fund)	15%	2 000 953	0.05%
SPDR S&P 500 ETF TRUST (Prudential Life International Conservative Balanced Fund)	15%	16 095 228	0.43%
AMUNDI INT SICAV CLASS X (Prudential Real Return Foreign)	15%	5 362 071	0.14%
ISHARES DAX ETF (Prudential Real Return Foreign)	15%	535 413	0.01%
ISHARES MSCI ACWI INDEX F (Prudential Real Return Foreign)	15%	1 305 863	0.04%
ISHARES MSCI SK CAPPED (Prudential Real Return Foreign)	15%	687 339	0.02%
M&G ASIAN FUND GBP A (Prudential Real Return Foreign)	15%	1 774 437	0.05%
M&G EURO STRAT VALU GBP A (Prudential Real Return Foreign)	15%	3 251 498	0.09%
M&G GLOBAL DIV A ACCUM (Prudential Real Return Foreign)	15%	2 645 225	0.07%
M&G JAPAN FUND STERLING A (Prudential Real Return Foreign)	15%	948 749	0.03%
M&G NORTH AMERICA ACCUM (Prudential Real Return Foreign)	15%	3 065 406	0.08%
M&G RECOVERY FUND ACCUM (Prudential Real Return Foreign)	15%	2 118 067	0.06%
SANLAM GLOBAL FIN FUND C (Prudential Real Return Foreign)	15%	504 843	0.01%
SPDR S&P 500 ETF TRUST (Prudential Real Return Foreign)	15%	4 823 790	0.12%
AIA GRP USD1 (Aberdeen World Equity Fund)	15%	6 311 278	0.17%
ATLAS COPCO A SHS NPV (Aberdeen World Equity Fund)	15%	5 574 940	0.15%
BANCO BRADESCO-ADR NPV (Aberdeen World Equity Fund)	15%	8 603 875	0.23%
BAXTER INTL COM USD1 (Aberdeen World Equity Fund)	15%	4 480 620	0.12%
BHP BILLITON ORD USD0.5 (Aberdeen World Equity Fund)	15%	5 909 506	0.16%
BRITISH AMER TOBACCO GBP0.25 (Aberdeen World Equity Fund)	15%	14 618 523	0.39%
CANADIAN NATL RAILWAY CO NPV (Aberdeen World Equity Fund)	15%	9 009 901	0.24%
CANON NPV (Aberdeen World Equity Fund)	15%	5 768 054	0.16%
CENTRICA GBP0.061728 (Aberdeen World Equity Fund)	15%	8 037 243	0.22%
CHEVRON CORP USD0.75 (Aberdeen World Equity Fund)	15%	6 494 877	0.17%
CITY DEVELOPMENTS SGD0.5 (Aberdeen World Equity Fund)	15%	4 039 714	0.11%
COMCAST CORP A USD1 (Aberdeen World Equity Fund)	15%	4 615 552	0.12%
CVS CAREMARK CORP USD0.01 (Aberdeen World Equity Fund)	15%	12 099 982	0.33%
DAITO TST CONSTRUCT CO NPV (Aberdeen World Equity Fund)	15%	4 140 432	0.11%
ENI NPV (Aberdeen World Equity Fund)	15%	8 610 058	0.23%
EOG RESOURCES USD0.01 (Aberdeen World Equity Fund)	15%	8 439 308	0.23%
ERICSSON SER B NPV (Aberdeen World Equity Fund)	15%	4 013 585	0.11%

SCHEDULE IB

ASSETS HELD IN COMPLIANCE WITH REGULATION 28 AS AT 30 June 2013

FANUC CORP NPV (Aberdeen World Equity Fund)	15%	5 146 167	0.17%
FOMENTO ECONOMICO MEXICANO 1 ADR REP 10 UTS (1B&2D-B&2D-L) (Aberdeen World Equity Fund)	15%	7 689 841	0.21%
HSBC HLDGS USD0.5 (Aberdeen World Equity Fund)	15%	8 196 257	0.22%
JOHNSON & JOHNSON USD1 (Aberdeen World Equity Fund)	15%	12 178 383	0.33%
MTN GRP ZAR0.0001 (Aberdeen World Equity Fund)	15%	4 115 880	0.11%
NESTLE REG CHF0.1 (Aberdeen World Equity Fund)	15%	9 836 247	0.26%
NORDEA BANK ORD NPV (Aberdeen World Equity Fund)	15%	8 489 652	0.23%
NOVARTIS REG CHF0.50 (Aberdeen World Equity Fund)	15%	13 093 723	0.35%
ORACLE CORP USD0.01 (Aberdeen World Equity Fund)	15%	7 832 786	0.21%
PEPSICO USD0.017 (Aberdeen World Equity Fund)	15%	10 587 249	0.28%
PETROCHINA CO H CNY1 (Aberdeen World Equity Fund)	15%	3 258 855	0.09%
PETROLEO BRASILEIRO 1 ADR REP 2 PREF SHS NPV (Aberdeen World Equity Fund)	15%	3 247 415	0.09%
PHILIP MORRIS INTL NPV (Aberdeen World Equity Fund)	15%	14 165 027	0.38%
POTASH CORP OF SASKATCHEWAN NPV (Aberdeen World Equity Fund)	15%	7 872 127	0.21%
PRAXAIR USD0.01 (Aberdeen World Equity Fund)	15%	4 545 968	0.12%
QBE INSURANCE GRP NPV (Aberdeen World Equity Fund)	15%	5 806 263	0.16%
QUEST DIAGNOSTICS USD0.01 (Aberdeen World Equity Fund)	15%	6 210 999	0.17%
ROCHE HLDGS AG-GENUSSCHEIN NPV (Aberdeen World Equity Fund)	15%	17 080 212	0.46%
ROYAL DUTCH SHELL PLC B SHS EUR0.07 (Aberdeen World Equity Fund)	15%	13 372 382	0.36%
SAMSUNG ELECTRONICS 1 GDR REP 1/2 NVTG PREF REGS (Aberdeen World Equity Fund)	15%	3 563 909	0.10%
SAMSUNG ELECTRONICS CO PFD KRW5000 (Aberdeen World Equity Fund)	15%	7 526 173	0.20%
SCHLUMBERGER USD0.01 (Aberdeen World Equity Fund)	15%	8 592 341	0.23%
SCHNEIDER ELECTRIC EUR4 (Aberdeen World Equity Fund)	15%	4 316 155	0.12%
SHIN-ETSU CHEMICAL CO NPV (Aberdeen World Equity Fund)	15%	8 976 916	0.24%
STANDARD CHARTERED BANK ORD USD0.5 (Aberdeen World Equity Fund)	15%	12 639 310	0.34%
SWIRE PACIFIC A HKD0.6 (Aberdeen World Equity Fund)	15%	4 558 449	0.12%
SWIRE PACIFIC B HKD0.12 (Aberdeen World Equity Fund)	15%	116 022	0.00%
TAIWAN SEMICONDUCTOR MANUFACTURING 1 ADS REP 5 ORD TWD10 (Aberdeen World Equity Fund)	15%	408 753	0.01%
TAIWAN SEMICONDUCTOR MANUFACTURING TWD10 (Aberdeen World Equity Fund)	15%	15 174 090	0.41%
TENARIS ADR USD1 (Aberdeen World Equity Fund)	15%	12 588 926	0.34%
UNITED TECHNOLOGIES CORP USD1 (Aberdeen World Equity Fund)	15%	8 346 921	0.22%
VALE PREF ADR NPV (Aberdeen World Equity Fund)	15%	7 558 211	0.20%
VODAFONE GRP USD0.1142857 (Aberdeen World Equity Fund)	15%	15 601 785	0.42%
ZURICH INSURANCE GRP CHF0.1 (Aberdeen World Equity Fund)	15%	12 419 396	0.33%
Coronation Global Equity FOF class Z	15%	2 089 744	0.06%
(a)(i) Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	25%	258 068	0.01%
Coronation Global Equity FOF class Z	10%	258 068	0.01%
(a)(ii) Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	25%	143 791 469	3.67%
Coronation Global Equity FOF class Z	5%	17 602 758	0.47%
Investec Global Equity Inc	5%	126 188 711	3.39%
(b) Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	25%	4 480 813	0.12%
Coronation Global Equity FOF class Z	2.50%	4 480 813	0.12%
4 IMMOVABLE PROPERTY		441 943 605	11.89%
4.1 Inside the Republic	25%	436 742 591	11.75%
(e) Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange	25%	63 698 823	2.25%
(a)(i) Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%	63 228 329	1.70%
CCO	15%	17 379 280	0.47%
CPL	15%	1 046 391	0.03%
GRT	15%	2 051 268	0.06%
HYP	15%	8 088 912	0.22%
ITU	15%	25 884 011	0.70%

SCHEDULE 1B

ASSETS HELD IN COMPLIANCE WITH REGULATION 28 AS AT 30 June 2013

NEP	15%	212 224	0.01%
RDF	15%	8 143 471	0.22%
RES	15%	422 773	0.01%
(a)(i) Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%	13 984 585	0.36%
ACP	10%	380 488	0.01%
DLT	10%	1 406 146	0.04%
EMI	10%	3 687 748	0.10%
FFA	10%	2 470 360	0.07%
FPT	10%	191 872	0.01%
SAC	10%	3 469 024	0.09%
SYC	10%	79 603	0.00%
VKE	10%	2 299 458	0.06%
(a)(ii) Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	6 485 909	0.17%
AIA	5%	515 351	0.01%
DIA	5%	488 702	0.01%
DIB	5%	48 384	0.00%
HPA	5%	2 976 775	0.08%
HPB	5%	914 347	0.02%
VIF	5%	1 336 224	0.04%
VPF	5%	206 126	0.01%
(b) Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange	15%	353 043 768	9.49%
Cape Joint Properties	5%	7 918 591	0.21%
Investment in Newsshelf 922 (Pty) Ltd	5%	345 125 177	9.28%
4.2 Outside the Republic	25%	5 201 014	0.14%
(a) Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange	25%	4 125 666	0.11%
(a)(i) Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%	2 701 057	0.07%
Coronation Absolute World Opp FD CAWO01	15%	2 701 057	0.07%
(a)(ii) Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%	1 060 084	0.03%
Coronation Absolute World Opp FD CAWO01	10%	1 060 084	0.03%
(a)(iii) Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	364 525	0.01%
Coronation Absolute World Opp FD CAWO01	5%	364 525	0.01%
(b) Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange	25%	1 075 347	0.03%
Coronation Absolute World Opp FD CAWO01	5%	1 075 347	0.03%
5 COMMODITIES	10%	20 595 186	0.55%
5.1 Inside the Republic			
(a) Kruger Rands and other commodities on an exchange, including exchange traded commodities	10%	20 272 141	0.55%
(a)(i) Gold (including Kruger Rands)	10%	20 272 141	0.55%
GLD	10%	20 272 141	0.55%
(a)(ii) Other commodities	5%	0	0.00%
-each commodity		0	0.00%
5.2 Outside the Republic			
(a) Gold and other commodities on an exchange, including exchange traded commodities	10%	323 045	0.01%
(a)(i) Gold	10%	0	0.00%

Name of Retirement Fund:

Cape Joint Pension Fund

SCHEDULE IB

ASSETS HELD IN COMPLIANCE WITH REGULATION 28 AS AT 30 June 2013

(a)(i)	Other commodities	10%	323 045	0.01%
	Coronation Absolute World Opp FD CAWO01		323 045	0.01%
6	INVESTMENTS IN THE BUSINESS OF A PARTICIPATING EMPLOYER INSIDE THE REPUBLIC IN TERMS OF:-		236 891	0.01%
(a)	Section 19(4) of the Pension Funds Act	5%	236 891	0.01%
(b)	To the extent it has been allowed by an exemption in terms of section 19(4A) of the Pension Funds Act	10%	0	0.00%
7	HOUSING LOANS GRANTED TO MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 19(5)	95%	0	0.00%
8	HEDGE FUNDS, PRIVATE EQUITY FUNDS AND ANY OTHER ASSET NOT REFERRED TO IN THIS SCHEDULE		63 905 000	1.72%
8.1	Inside the Republic	15%	34 985 625	0.94%
(a)	Hedge fund	10%	0	0.00%
(a)(i)	Funds of hedge funds	5%	0	0.00%
(a)(ii)	Hedge funds	2.5%	0	0.00%
(b)	Private equity funds	10%	25 454 035	0.68%
(b)(i)	Funds of private equity funds	5%	0	0.00%
(b)(ii)	Private equity funds	2.5%	25 454 035	0.68%
	African Infrastructure Investment Fund		25 454 035	0.68%
(c)	Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2.5%	9 531 591	0.26%
	Loan to Cape Joint Properties		4 601 498	0.12%
	Peregrine		6 109 319	0.16%
	Fuluregrowth Infrastructure & Development Bond Fund		-1 179 226	-0.03%
8.2	Outside the Republic	15%	28 919 374	0.78%
(a)	Hedge fund	10%	25 653 877	0.69%
(a)(i)	Funds of hedge funds	5%	23 421 601	0.63%
	All Seasons Special Purpose Vehicle ASARF1	5%	807 683	0.02%
	All Seasons Special Purpose Vehicle ASARF2	5%	242 389	0.01%
	All Seasons Special Purpose Vehicle ASSGF	5%	806 657	0.02%
	Coronation Eiger Fund	5%	10 000 172	0.27%
	Coronation Redwood Fund	5%	10 104 986	0.27%
	TriAlpha Reallseison Fund	5%	1 459 703	0.04%
(a)(ii)	Hedge funds	2.5%	2 232 276	0.06%
	EPISODA - CLASS A (Prudential) Real Return Foreign)		2 232 276	0.06%
(b)	Private equity funds	10%	0	0.00%
(b)(i)	Funds of private equity funds	5%	0	0.00%
(b)(ii)	Private equity funds	2.5%	0	0.00%
(c)	Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2.5%	3 265 497	0.09%
	The Glanmore Property Fund Ltd		3 221 758	0.09%
	Investec Global Opportunity Inc FOF		43 739	0.00%
9	Fair value of assets to be excluded in terms of sub-regulation (8)(b) of Regulation 28		14 118 128	0.38%
9.1	Inside the Republic		14 118 128	0.38%

Name of Retirement Fund:

Cape Joint Pension Fund

SCHEDULE IB

ASSETS HELD IN COMPLIANCE WITH REGULATION 28 AS AT 30 June 2013

Prudential Money Market-B Class		6 763 180	0.18%
Pru High Interest Fund Class B		7 354 948	0.20%
9.2 Outside the Republic	25%	0	0.00%
TOTAL (equal to the fair value of assets)		3 716 485 362	102.63%

Investments outside the Republic

	Fair value R	Fair Value Percentage	Limit Percentage
Foreign balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	31 761 432	0.85%	
Debt instruments including Islamic debt instruments	163 092 973	4.39%	
Equities	684 879 580	18.42%	
Immovable property	5 201 014	0.14%	
Commodities outside the Republic	323 045	0.01%	
Hedge Funds, private equity funds and any other assets not referred to in this schedule	28 919 374	0.78%	
Fair value of assets to be excluded in terms of sub-regulation (8)(b) of Regulation 28		0.00%	
TOTAL	914 177 418	24.50%	25%

Asset Limits in terms of sub regulation 3(f)

Item 2.1(e)(ii)	40 584 274	1.09%	
Item 3.1(b)	8 776 762	0.24%	
Item 4.1(b)	353 043 768	9.49%	
Item 8	63 905 000	1.72%	
TOTAL	466 309 804	12.54%	35%

Asset Limits in terms of sub regulation 3.1(g)

Item 3.1(b)	8 776 762	0.24%	
Item 8.1(b)	25 454 036	0.68%	
TOTAL	34 230 797	0.92%	15%

Breaches in terms of Regulation 28

NOTES:

- Credit balance in current accounts must be included in Item 1.
- If the investments exceed the limit per institution/company/individual and no exemption has been obtained, the details below must be completed for each

Investments in Institution/company/individual	Item	% of Fair Value	Fair Value (R)
Investment in Newshell 922 (Pty) Ltd	4.1(b)	9.28%	345 126 177
.....
.....

3. EXEMPTIONS GRANTED BY THE REGISTRAR

Item	Max %	Date of offer	Expiry Date
.....
.....
.....



Name of Retirement Fund: Cape Joint Pension Fund

Reference number : 12/8/1278/2

**SCHEDULE IB
INDEPENDENT AUDITOR'S REPORT ON ASSETS HELD IN COMPLIANCE WITH REGULATION 28**

TO THE BOARD OF TRUSTEES

We have audited Schedule IB "Assets held in compliance with Regulation 28" of the Cape Joint Pension Fund at 30 June 2013 (the Schedule) for compliance with the requirements of Regulation 28 of the Pension Funds Act of South Africa (the Regulation), as set out on pages 58 to 68. Our engagement arises from our appointment as auditor of the Fund and is for the purpose of assisting the Trustees to report to the Registrar of Pension Funds (the 'Registrar').

The information contained in Schedule IB has been extracted from the Fund's underlying accounting records that were the subject matter of this engagement on the annual financial statements and forms the subject of our audit engagement. Our audit of the annual financial statements of the Cape Joint Pension Fund for the year ended 30 June 2013 was conducted in accordance with International Standards on Auditing and in our report of 30 June 2013 we expressed an unmodified opinion on the financial statements, prepared, in all material respects, with the Regulatory Reporting Requirements for Retirement Funds in South Africa.

The Board of Trustees' Responsibility for the Schedule

The Board of Trustees is responsible for the preparation of the Schedule in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa and in compliance with the Regulation, and for such internal control as the Board of Trustees determines is necessary to enable the preparation of the Schedule that is free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion based on our audit of the Schedule. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Schedule 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 entity's internal control.

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

Opinion

In our opinion, Schedule IB "Assets of the fund held in compliance with Regulation 28" at 30 June 2013 by the Cape Joint Pension Fund has been prepared, in all material respects, in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa and in compliance with the Regulation.

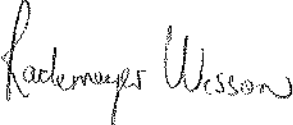
Emphasis of Matter

Investment in Newshelf 922 (Proprietary) Limited

Without qualifying our opinion, we draw attention to the fact that the fair value of the investment in Newshelf 922 (Proprietary) Limited exceeded the limit per issuer of 5% for category 4.1(b), as prescribed by Regulation 28 . The proportion of the fair value of the investment in Newshelf 922 (Proprietary) Limited to the fair value of the total assets was 9.28% at 30 June 2013. We also refer you to paragraph 8.5 of the Report of the Board of Fund in this regards.

Restriction on Use

Without modifying our opinion, we draw attention to the purpose of our report as indicated in the introductory paragraph, and the basis of accounting. Consequently, the Schedule and our auditor's report may not be suitable for another purpose.



Rademeyer Wesson
Chartered Accountants (S.A.)
Registered Auditors
Per: MJ Strydom
Partner

22 November 2013
TYGER VALLEY