

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

SCHEDULE HA  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2015

14. RELATED PARTY TRANSACTIONS

The fund is administered by Momentum Retirement Fund Administration. The following transactions with the administrator occurred during the year:

Transaction	Current year	Previous year
	R	R
Investments under management of MMI Group Limited	369,625,105	180,705,416
Investment income under management of MMI Group Limited	36,698,127	31,744,181
Investment fees under management of MMI Group Limited	(1,379,814)	(886,331)
Actuarial fees	(164,958)	(155,154)
Administration fees	(3,363,984)	(2,865,753)
Reinsurance premiums	(3,225,590)	(3,297,099)

15. SURPLUS AND RESERVES

	Reserve Accounts Total	Dormant member contingency reserve	Cost account
	R	R	R
At beginning of year	240,673,364	240,673,364	-
Contributions received and accrued	5,048,103	-	5,048,103
Reinsurance proceeds	-	-	-
Net investment income	25,271,030	25,271,030	-
Allocated to unclaimed benefits	-	-	-
Less:	(8,729,583)	-	(8,729,583)
- Re-insurance premiums	(3,225,590)	-	(3,225,590)
- Administration costs	(5,503,993)	-	(5,503,993)
<b>Net income before transfers and benefits</b>	<b>262,262,914</b>	<b>265,944,394</b>	<b>(3,681,480)</b>
<b>Transfers and benefits</b>	<b>(7,301,925)</b>	<b>(7,301,925)</b>	-
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Benefits	(7,301,925)	(7,301,925)	-
<b>Net income after transfers and benefits</b>	<b>254,960,989</b>	<b>258,642,469</b>	<b>(3,681,480)</b>
Transfer of miscellaneous fee from Active to Cost	1,912,076	-	1,912,076
Transfer of miscellaneous and admin fee from Dormant to Cost - 2015	-	(2,901,008)	2,901,008
Transfer of miscellaneous and admin fee from Dormant to Cost - 2014	-	(3,639,248)	3,639,248
Reversal of 2014 accrual of cost account funding	(2,202,667)	-	(2,202,667)
<b>At end of year</b>	<b>254,670,398</b>	<b>252,102,213</b>	<b>2,568,185</b>

16. AMOUNTS TO BE ALLOCATED

	31 December 2015	31 December 2014
	R	R
Investment return to be allocated	1,403,284	(2,331,383)
Investment return on Sec 14 transfers out	112,333	-
Cost account return to be allocated	-	(2,202,667)
Contributions to be allocated	4,099,357	5,192,727
Death lumpsums to be allocated	-	676,389
Transfers to be allocated	961,530	-
<b>Total amounts to be allocated</b>	<b>6,576,504</b>	<b>1,335,066</b>

**TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND**

**SCHEDULE HA  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**17. CONTINGENT LIABILITIES**

Dormant member contingency reserve

Included in this reserve are unclaimed benefits and paid up members prior to 1 October 2003. The Fund has released part these member liabilities in the past based on legal and actuarial advice and on the approval of the Financial Services Board. A contingency reserve has been established to meet the liabilities of these members.

The fund still has a contingent liability towards these members in the event that they do all claim their full benefits (refer note 15).

TOURISM, HOSPITALITY AND CATERING PENSION FUND (THACSA)

Reference number : 12/8/20517  
SCHEDULE HB  
REPORT OF THE VALUATOR

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**Particulars of financial condition of the Fund as at 31 December 2014**

1. Net assets available for benefits: R490 796 886.
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 was R490 796 886.
3. The actuarial present value of promised retirement benefits as at 31 December 2014:
  - Active members' Shares of Fund: R253 857 978.
4. The following contingency reserve accounts were held as at 31 December 2014:
  - Dormant Member Contingency Reserve Account: R237 619 829.
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:

The active member liability was determined as the sum of the members' Shares of Fund.

The Dormant Member Contingency Reserve Account was determined as the opening balance as at the previous statutory valuation (31 December 2011), accumulated with net investment returns, less benefit payments and expenses, over the valuation period.
6. Details of the actuarial basis adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary report:

Not applicable as the Fund is a defined contribution Fund.
7. Any other particulars deemed necessary by the valuator for the purposes of this summary:

Refer to Section 3.4 of the actuarial valuation report as at 31 December 2014 for details regarding the dormant membership of the Fund and the Dormant Member Contingency Reserve Account.
8. The funding level of the Fund was 99.7% as at 31 December 2014. In view of current developments such as the implementation of a Lifestage model, the Trustees resolved not to reduce members' Shares of Fund by 0.3% but to re-assess the financial position at the annual financial review as at 31 December 2015.



**Sean Neethling, BSc CFP® FIA FASSA**

Fellow of the Actuarial Society of South Africa  
In my capacity as the Valuator of the Fund and as an employee of MMI Group Limited.  
The Actuarial Society of South Africa is the primary regulator in my professional capacity.

11 May 2016

**SCHEDULE I**

**THACSA PENSION FUND**

Registration number: 12/8/20517

**Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING  
(THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings  
For the year ended 31 December 2015**

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**REPORT TO THE BOARD OF FUND AND THE REGISTRAR OF PENSION FUNDS**

We have performed the procedures agreed with the Registrar of Pension Funds (the "Registrar") and set out below with respect to the audited financial statements ("annual financial statements") and other information in the general ledger and management information comprising the accounting records of Thacsa Pension Fund (the "Fund") for the year ended 31 December 2015. Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS) 4400 *Engagements to perform agreed-upon procedures regarding financial information*. Our procedures were performed solely to assist the Registrar in evaluating whether any instances of non-compliance with the requirements of the relevant sections of the Pension Funds Act of South Africa (the Act), regulations and rules of the Fund were identified. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed, is that of the Registrar.

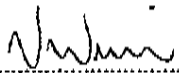
**Procedures and findings**

Our procedures performed are set out in the numbered paragraphs in the attached table, which forms part of our report, together with our findings thereon. Unless otherwise indicated, all balances, lists, schedules etc. referred to in the table relate to the accounts/balances reflected in the annual financial statements of the Fund for the year ended 31 December 2015.

Because the procedures do not constitute an audit, a review or other assurance engagement performed in accordance with the IAASB's International Standards we do not express any assurance. Had we performed additional procedures, or had we performed an audit, a review, or other assurance engagement, other matters might have come to our attention that would have been reported.

**Restriction on use and distribution**

Our report is solely for the purpose set out in the first paragraph of this report and for the information of the Registrar and accordingly may not be suitable for any other purpose and distributed to other parties. This report relates only to the information specified and does not extend to the annual financial statements of the Fund taken as a whole.



V. Wiese  
Director  
Chartered Accountant (SA)

Address: PricewaterhouseCoopers Inc.,  
P O Box 2799, Cape Town, 8000

Date: 15 June 2016

**SCHEDULE I**

**THACSA PENSION FUND**

Registration number: 12/8/20517

**Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings**

For the year ended 31 December 2015

**Procedures and Findings**

	<b>Procedures</b>	<b>Findings</b>																								
	<b>Statement of Net Assets and Funds</b>																									
<b>1</b>	<b>Investments</b>																									
1.1	Inspect the list of investment balances reflected in the general ledger of the Fund as at 31 December 2015 for any investments in accordance with the terms of section 19(4) of the Act.																									
1.1.1	Agree details of the written confirmations obtained from the investment managers/insurers to the investment balances reflected in the general ledger.	Details of the written confirmations obtained from the investment managers/insurers agreed to the investment balances reflected in the general ledger.																								
1.1.2	Where investments held in the participating employer exceed 5% of the total assets as reflected in the financial statements, inspect the appropriate approval of the Registrar.	Not applicable as the fund holds no direct investments in a participating employer.																								
1.2	Obtain the signed investment policy statement and, where applicable, the portfolio management agreement/investment mandate between the Fund and the investment administrator(s), and perform the following procedures on a sample of 10 mandates (comprising the 3 largest by value of investments at year end and 7 other randomly selected mandates):	We selected the investment mandates below.																								
1.2.1	Inspect whether the underlying investments are in compliance with the signed investment policy statement and, where applicable, the portfolio management agreement/investment mandate.	<p>The underlying investments, signed investment policy statement ("IPS") and investment mandate indicated the following:</p> <table border="1"> <thead> <tr> <th></th> <th><b>Underlying investment</b></th> <th><b>Policy Statement</b></th> <th><b>Investment mandate</b></th> </tr> </thead> <tbody> <tr> <td></td> <td>Momentum Group Limited</td> <td>Non-Linked Insurance Policies</td> <td>Non-Linked Insurance Policies</td> </tr> <tr> <td></td> <td>Allan Gray Life Limited</td> <td>Linked Insurance Policies</td> <td>Linked Insurance Policies</td> </tr> <tr> <td></td> <td>Investec Asset Management (Pty) Limited</td> <td>Collective Investment Scheme</td> <td>Collective Investment Scheme</td> </tr> <tr> <td></td> <td>Regarding Capital Management (Pty) Limited</td> <td>Collective Investment Scheme</td> <td>Collective Investment Scheme</td> </tr> <tr> <td></td> <td>Prudential Investment Managers (South Africa) (Pty) Limited</td> <td>Collective Investment Scheme</td> <td>Collective Investment Scheme</td> </tr> </tbody> </table>		<b>Underlying investment</b>	<b>Policy Statement</b>	<b>Investment mandate</b>		Momentum Group Limited	Non-Linked Insurance Policies	Non-Linked Insurance Policies		Allan Gray Life Limited	Linked Insurance Policies	Linked Insurance Policies		Investec Asset Management (Pty) Limited	Collective Investment Scheme	Collective Investment Scheme		Regarding Capital Management (Pty) Limited	Collective Investment Scheme	Collective Investment Scheme		Prudential Investment Managers (South Africa) (Pty) Limited	Collective Investment Scheme	Collective Investment Scheme
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	Prudential Investment Managers (South Africa) (Pty) Limited	Collective Investment Scheme	Collective Investment Scheme																							
1.2.2	Inspect whether the investment mandate and the investment policy statement provide for securities lending transactions and investments in hedge funds, private equity funds and derivatives, as prescribed.	The investment mandates and the investment policy statement did not provide for securities lending transactions and investments in hedge funds, private equity funds and derivatives, as prescribed.																								

**SCHEDULE I**

**THACSA PENSION FUND**

Registration number: 12/8/20517

**Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings**

For the year ended 31 December 2015

	<b>Procedures</b>	<b>Findings</b>
1.2.3	Inspect whether the collateral and counterparty requirements as prescribed are complied with.	Not applicable.
1.2.4	For segregated portfolios, confirm directly with the investment administrator(s): (a) whether scrip lending took place during the year and, if so, (b) whether there was collateral provided by the counterparty/(ies) for any scrip lending activities and, if so, (c) the percentage exposure covered by the collateral. Report on the amount for a).	Not applicable as there are no segregated portfolios.
<b>2.</b>	<b>Member individual accounts (defined contributions funds as well as defined contribution section of hybrid funds)</b>	
2.1	Obtain a list of member individual accounts as reflected on the Statement of Net Assets and Funds as at 31 December 2015.	A list of member individual accounts as reflected on the statement of Net Assets and Funds as at 31 December 2015 was obtained.
2.2	Select a random sample of the lesser of 50 or 10% of the number of members (from participating employers selected in 8.1 below) from the list of members and perform the following procedures:	A sample of 50 members was selected
2.2.1	Compare the member and employer contributions received and allocated for the members selected as reflected on the administrator's system, to information supplied by the participating employers for those members selected, for a randomly selected period of three months (including the last month of the year under review).	The member and employer contributions received and allocated for the members selected as reflected on the administrator's system agreed to information supplied by the participating employers for August 2015, October 2015 and December 2015. We note however that the amounts to be allocated relating to contributions amounted to R4,099,357 only loaded after year-end and that the fund is experiencing difficulties with allocating contributions made as contributions remittance are received late.
2.2.2	Compare the member and employer contribution rates for the members selected as reflected on the administrator's system, to the rules of the Fund, for a randomly selected period of three months (including the last month of the year under review).	The member and employer contribution rates for the members selected as reflected on the administrator's system agreed to the rules of the Fund for October 2015, August 2015 and December 2015.
2.2.3	In respect of unitised investment products, for the three months selected in 2.2.1 and 2.2.2, calculate the conversion of the contributions at the unit price per the administration system on the dates that the contributions were invested and compare the units recalculated to the administration system units for the selected members. Inspect that the units were added to the existing units for that member.	The monthly contributions were appropriately converted.
2.2.4	In respect of unitised investment products, calculate the conversion of units at the end of the year, at the year-end unit price per the administration system and agree the calculated amount to the member's fund credit amount recorded in each member's record.	The conversion of units at the end of the year, at the year-end unit price per the administration system was recalculated. This recalculated value agreed to the member's fund credit amount recorded in each member's record.

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**SCHEDULE I**

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For the year ended 31 December 2015

	<b>Procedures</b>	<b>Findings</b>										
2.2.5	In respect of unitised investment products, compare the unit price(s) as per investment manager/actuary/other authorised party at the year-end to the unit prices on the administration system used to calculate each member's credits at year-end.	The unit prices at year-end were agreed to the unit prices on the administration system.										
2.2.6	In respect of non-unitised investment products, compare the interim and/or final return allocated to each individual member's account in the administrator's records for the year under review to the return approved in accordance with a resolution of the Board of Fund or the rules of the Fund or approved recommendation by the investment consultant/asset manager/fund valuator.	Not applicable. This is a unitised fund.										
2.3	Obtain a list of members who switched investment portfolios during the year from the Fund/administrator, select a random sample of the lesser of 50 or 10% of members who switched between investment portfolios during the year, and perform the following procedures:	We selected 50 members who switched investment portfolios during the year.										
2.3.1	Inspect evidence that the portfolios were switched in accordance with notification of the member's instruction/ investment strategy (including life stage models) of the Fund and within a timeframe as specified in the service level agreement or client mandate between the administrator and the Fund.	The investment portfolios were switched in line with the new Life Stage Model agreed to via a trustee resolution.										
2.3.2	Inquire as to whether any fees relating to switches were deducted, and if so, inspect evidence of the approval by the Board of Fund and/or in terms of a service level agreement or client mandate.	Not applicable, no switch fees were deducted during the year.										
2.4	For investment products obtain the Asset Liability Match (ALM) reconciliation per investment portfolio, excluding the reserve accounts, for member individual accounts from the administrator, and perform the following procedures:											
2.4.1	Compare the investments per product on the ALM reconciliation to the investment certificates in total.	The totals of the investments per product on the ALM reconciliation agreed to the investment certificates in total.										
2.4.2	Compare the member individual accounts on the ALM reconciliation per investment portfolio to the administration system and to the total member individual accounts as disclosed in the Statement of Net Assets and Funds.	The member individual accounts on the ALM reconciliation per investment portfolio agreed to the administration system and to the total member individual accounts as disclosed in the Statement of Net Assets and Funds. Refer further amounts to be allocated in 2.4.3 below.										
2.4.3	Inspect whether the total mismatch (in Rand) for all portfolios was within the range as prescribed by the Registrar.	The total mismatch for all portfolios was outside the range as prescribed. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;"><b>31 December 2015 (R)</b></th> </tr> </thead> <tbody> <tr> <td>Members' funds and surplus accounts</td> <td style="text-align: right;">264,020,741</td> </tr> <tr> <td>Members' individual accounts</td> <td style="text-align: right;">257,444,237</td> </tr> <tr> <td>Amounts to be allocated</td> <td style="text-align: right;">6,576,504</td> </tr> <tr> <td>Mismatch %</td> <td style="text-align: right;">2.55%</td> </tr> </tbody> </table>		<b>31 December 2015 (R)</b>	Members' funds and surplus accounts	264,020,741	Members' individual accounts	257,444,237	Amounts to be allocated	6,576,504	Mismatch %	2.55%
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**SCHEDULE I**

**THACSA PENSION FUND**

Registration number: 12/8/20517

**Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings**

For the year ended 31 December 2015

	<b>Procedures</b>	<b>Findings</b>
<b>3</b>	<b>Accumulated funds (for defined benefit funds as well as defined benefit sections of hybrid funds)</b>	
3.1	Select a sample of the lesser of 50 or 10% of the number of members from the list of members provided by the administrator and perform the following procedures for each member selected:	Not applicable. This is not a defined benefit fund.
3.1.1	Compare the member contributions received and allocated for the members selected as reflected on the administrator's system, to information supplied by the participating employers for those members selected, for a randomly selected period of three months (including the last month of the year under review).	Not applicable. This is not a defined benefit fund.
<b>4</b>	<b>Surplus apportionment scheme</b>	
4.1	If a surplus apportionment scheme was approved by the Registrar in the current year or if allocation and/or payments to members were made during the year, perform the following procedures:	Not applicable as no surplus apportionment scheme was approved by the Registrar in the current year.
4.1.1	<u>Active members:</u> Select a random sample of the lesser of 50 or 10% of number of active members to whom surplus has been apportioned in the approved surplus apportionment scheme and perform the following procedures:	
4.1.1.1	Agree the original surplus amount allocated to the selected member to the individual allocation on the member records per the administration system.	Not applicable.
4.1.1.2	Inspect whether the calculation of the relevant investment return from surplus apportionment date to date of allocation was in accordance with the requirements of the Act and allocated to the member records in the administration system.	Not applicable.
4.1.2	<u>Former members and pensioners:</u> Select a random sample of the lesser of 50 or 10% of number of former members and pensioners as defined by the surplus apportionment scheme from the surplus schedules attached to the approved surplus apportionment scheme and perform the following procedures:	
4.1.2.1	Agree the original surplus amount allocated to the selected member and/or pensioner to the individual allocation on the member records per the administration system.	Not applicable.
4.1.2.2	Inspect whether the calculation of the relevant investment return from surplus apportionment date to date of allocation was in accordance with the requirements of the Act and allocated to the member records in the administration system.	Not applicable.

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**SCHEDULE I  
THACSA PENSION FUND**

Registration number: 12/8/20517

**Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING  
(THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings**  
For the year ended 31 December 2015

	<b>Procedures</b>	<b>Findings</b>
4.1.2.3	Agree the total of the amount calculated in 4.1.2.1 and 4.1.2.2 to the surplus benefit paid per selected member and to the applicable amount per the administration system and other authorised supporting documentation.	Not applicable.
<b>5</b>	<b>Member and employer surplus accounts</b>	
5.1	Obtain the analysis of the transactions in the member and/or employer surplus account per the annual financial statements, and perform the following procedure:	Not applicable, no member or employer surplus account noted per the annual financial statements.
5.1.1	Inspect that the transactions are permitted in terms of the registered rules of the Fund and/or the Act.	Not applicable.
<b>6</b>	<b>Reserves</b>	
6.1	Obtain the list of reserves and other related accounts (e.g. pensioner accounts) and the movements per the financial statements and/or in the actuarial valuation, and perform the following procedures:	A list of reserves and the movements per the financial statements were obtained.
6.1.1	Inspect whether the reserve and other related accounts (e.g. pensioner accounts) held by the Fund and/or reflected in the actuarial valuation are in accordance with the registered rules of the Fund.	The reserve and other accounts held by the Fund were in accordance with the registered rules of the Fund.
6.1.2	Inspect that the movements in reserves as disclosed in the annual financial statements are permitted in terms of the registered rules of the Fund and/or the Act.	The movements in reserves as disclosed in the annual financial statements were permitted in terms of the registered rules of the Fund and/or the Act.
<b>7</b>	<b>Other assets, liabilities and guarantees</b>	
7.1	Obtain the list of housing loans granted to members by the Fund in terms of section 19(5) of the Act as at 31 December 2015, and perform the following procedure:	Not applicable. No loans were granted to members during the year
7.1.1	Agree the total housing loans on the above list to the corresponding account in the annual financial statements.	Not applicable. See above.
7.2	From the list in 7.1, randomly select a sample of the lesser of 50 or 10% of the number of members' housing loans granted and perform the following procedures:	Not applicable. See above.
7.2.1	Inspect evidence that the value of the housing loan provided does not exceed the amount permitted by the rules and the home loan agreement.	Not applicable. See above.
7.2.2	Inspect evidence that the housing loan has been granted in terms of Section 19(5) (a).	Not applicable. See above.
7.2.3	Inspect evidence that repayments are being made in accordance with the housing loan agreement.	Not applicable. See above.
7.2.4	Inspect the interest charged on the outstanding housing loan and compare the rate used to the prescribed rate.	Not applicable. See above.

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**SCHEDULE I**

**THACSA PENSION FUND**

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**Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings**

For the year ended 31 December 2015

	<b>Procedures</b>	<b>Findings</b>
7.2.5	If the Fund issued more than 100 housing loans or the total principal debt of all outstanding loans exceeded R500 000, inquire whether the Fund was registered as a credit provider under the National Credit Act, 2005 (the NCA).	Not applicable. See above.
7.3	Obtain the list of housing loan guarantees and select a sample of the lesser of 50 or 10% of the number of housing loan guarantees and perform the following procedures:	We selected 4 housing loan guarantees.
7.3.1	For the sample selected, determine that each selected housing loan guarantee did not exceed the gross value of the benefit that the member would become entitled to had they withdrawn, as at the year end, in terms of the Act, the loan agreement and/or the rules of the Fund.	Each selected housing loan guarantee did not exceed the gross value of the benefit that the member would become entitled to had they withdrawn, as at the end of the period, in terms of the Act, the loan agreement and/or the rules of the Fund.
7.3.2	Inspect evidence that the housing loan guarantee has been granted in terms of Section 19(5) (a).	The housing loan guarantee had been granted in terms of Section 19(5) (a).
7.4	Obtain a list of other loans per the general ledger of the Fund as at 31 December 2015 and perform the following procedure:	Not applicable. No other loans have been granted to members.
7.4.1	Confirm that no loans were granted and/or investments made as prohibited in terms of section 19(5)B.	Not applicable
<b>Statement of Changes in Net Assets and Funds</b>		
<b>8</b>	<b>Contributions</b>	
8.1	Select a sample of the lesser of 50 or 10% of the number of participating employers or pay points (whichever is the lower) from a list of participating employer/pay-points supplied by the Fund/administrator, select three months and perform the following procedures:	We selected 22 participating employers and selected the months of August 2015, October 2015 and December 2015.
8.1.1	Compare, in total, the contributions received by or on behalf of the Fund to the remittance advices from the participating employer/pay-point.	The contributions received by or on behalf of the Fund agreed to the remittance advice from the pay-point for the months of August 2015, October 2015 and December 2015.
8.1.2	Inspect the bank statements 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.	Contributions were deposited with a registered bank in accordance with section 13A of the Act and late payment interest had been raised in terms of regulation 33, where applicable.

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**Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings**

For the year ended 31 December 2015

	<b>Procedures</b>	<b>Findings</b>															
8.2	Select a sample of the lesser of 50 or 10% of the number of participating employers or pay points which reflect arrear contributions (whichever is the lower) at year-end from a list supplied by the Fund/administrator and perform the following procedure:	We selected 14 participating employers which reflect arrear contributions at year-end from a list supplied by the administrator.															
8.2.1	Inspect the accounting records of the Fund to determine whether amounts disclosed as arrear contributions at year-end have been paid to the Fund within the prescribed period in accordance with the requirements of section 13A of the Act. Where the amounts were received after the prescribed period, report the date of receipt and where they were not received, indicate as such.	The selected amounts disclosed as arrear contributions at year-end have been paid to the Fund within the prescribed period in accordance with the requirements of section 13A of the Act, except for the following pay points: <table border="1" data-bbox="846 783 1446 1030"> <thead> <tr> <th>Participating employer</th> <th>Amount</th> <th>Number of days received after year-end</th> </tr> </thead> <tbody> <tr> <td>Capetonian Hotel</td> <td>64,692</td> <td>14 days</td> </tr> <tr> <td>Jakes Restaurant</td> <td>4,226</td> <td>16 days</td> </tr> <tr> <td>Nando's Secunda</td> <td>12,632</td> <td>8 days</td> </tr> <tr> <td>Ocean Basket Canal Walk</td> <td>4,530</td> <td>27 days</td> </tr> </tbody> </table>	Participating employer	Amount	Number of days received after year-end	Capetonian Hotel	64,692	14 days	Jakes Restaurant	4,226	16 days	Nando's Secunda	12,632	8 days	Ocean Basket Canal Walk	4,530	27 days
Participating employer	Amount	Number of days received after year-end															
Capetonian Hotel	64,692	14 days															
Jakes Restaurant	4,226	16 days															
Nando's Secunda	12,632	8 days															
Ocean Basket Canal Walk	4,530	27 days															
<b>9</b>	<b>Benefits</b>																
9.1	Obtain a list from the administration system of lump sum benefits reflected as expenses in the Fund's Statement of Changes in Net Assets and Funds for the year under review and perform the following procedure:																
9.1.1	Compare the list to the respective general ledger benefit expense accounts reconciliation.	The list of benefits expenses agreed to the General Ledger.															
9.2	Select a sample of the lesser of 50 benefits or 10% of the total number of benefits from the list and perform the following procedures:	We selected 50 benefits.															
9.2.1	Compare the benefit per selected member to the administration system and authorised supporting documentation in accordance with the procedures of the Fund.	The benefit paid agreed to the administration system and authorised supporting documentation in accordance with the procedures of the Fund.															
9.2.2	For death benefits, where a portion of the benefit had been reinsured by the Fund, inspect a bank deposit or an accrual raised for the recovery from the insurer.	The recovery from the insurer was received/accrued for by the Fund.															
9.2.3	Agree the opening fund credit for the member to the opening fund credit report and determine whether contributions were added every month until the date of exit (either by Rand amount or in the case of unitised funds, by units). Agree the balance paid out to the member (inclusive of late payment interest where applicable) to the fund credit report or administration system as at the date of exit.	The opening fund credit for the member agreed to the opening fund credit report and contributions were added every month until the date of exit. The balance paid out to the member (inclusive of late payment interest where applicable) agreed to the administration system as at the date of exit.															
9.3	Obtain a list of all benefits not yet paid at year-end, select a sample of the lesser of 50 benefits or 10% of the total number of benefits from the list and perform the following procedure:																

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**SCHEDULE I**

**THACSA PENSION FUND**

Registration number: 12/8/20517

**Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings**

For the year ended 31 December 2015

	<b>Procedures</b>	<b>Findings</b>												
9.3.1	Agree whether the benefits that are older than the period as set out in the Act or a shorter period defined by the Rules are classified as unclaimed benefits.	The benefits due that were older than the period as set out in the Act or a shorter period defined by the Rules were classified as unclaimed benefits.												
<b>10</b>	<b>Transfers</b>													
10.1	Compare the list of total section 14 transfers to and from the Fund to the corresponding accounts in the general ledger.	The list of section 14 transfers from the Fund corresponded to the amounts in the general ledger.												
10.2	From the list of section 14 transfers paid/received and accrued to and from the Fund throughout the year select a sample of the lesser of 50 or 10% of the number of transfers in and the lesser of 50 or 10% of the number of transfers out, and perform the following procedures:	We selected three section 14(1) transfers out. There were no section 14 transfers in during the year.												
10.2.1	Agree the sample of section 14 transfers to and from the Fund to: a) the section 14(1) documentation as approved by the Registrar in respect of each transfer; and/or b) the section 14(8) documentation as prescribed.	The selected transfers agreed to the section 14(1) documentation. Section 14(8) transfer were not applicable.												
10.2.2	Inspect whether the transfers to and from the Fund were received/paid within 60 days of Registrar approval for section 14(1) transfers and 180 days from application date for section 14(8) transfers and whether the growth and investment return had been allocated from the effective date of the transfer to the date of final settlement.	The selected section 14 transfers tested were paid within 60 days, except for the following: <table border="1" data-bbox="844 1106 1445 1382"> <thead> <tr> <th>Receiving Fund</th> <th>Amount transferred</th> <th>Number of members</th> <th>Days between approval and transfer</th> </tr> </thead> <tbody> <tr> <td>Alexander Forbes Retirement Fund</td> <td>4,039,505</td> <td>121</td> <td>66 days</td> </tr> <tr> <td>FundsAtWork Umbrella Fund</td> <td>5,392.86</td> <td>1</td> <td>85 days*</td> </tr> </tbody> </table>	Receiving Fund	Amount transferred	Number of members	Days between approval and transfer	Alexander Forbes Retirement Fund	4,039,505	121	66 days	FundsAtWork Umbrella Fund	5,392.86	1	85 days*
Receiving Fund	Amount transferred	Number of members	Days between approval and transfer											
Alexander Forbes Retirement Fund	4,039,505	121	66 days											
FundsAtWork Umbrella Fund	5,392.86	1	85 days*											
10.2.3	In respect of unitised funds, select a sample of the lesser of 50 or 10% of the number of members transferred from other funds and recalculate 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 added from the date of receipt to the date of purchase).	Not applicable, as there were no section 14 transfers in during the year.												
10.3	<b>Individual transfers</b> Obtain the list of individual transfers throughout the year ended 31 December 2015, select a sample of the lesser of 50 or 10% of the number of individual transfers, and perform the following procedures:	We selected one individual transfers in and one individual transfer out.												
10.3.1	Agree the transfers to the approved recognition of transfer documentation.	The transfers agreed to the approved recognition of transfer documentation.												

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**SCHEDULE I**

**THACSA PENSION FUND**

Registration number: 12/8/20517

**Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings**

For the year ended 31 December 2015

	<b>Procedures</b>	<b>Findings</b>
10.3.2	<b>For individual transfers in selected</b> In respect of unitised funds, recalculate 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 added from the date of receipt to the date of purchase).	The purchase of units for the amount received by the Fund was recalculated using the price per the administration system.
<b>11</b>	<b>Pensioners paid</b>	
11.1	Obtain a copy of the list of pensioners and amounts paid for the year from the administration system and/or, for outsourced pensioners, confirmation from the insurer and perform the following procedure:	Not applicable. There are no pensioners in the Fund.
11.1.1	Agree the total pensions paid for the year ended 31 December 2015 to the corresponding account reconciliation to the general ledger balance.	Not applicable.
11.2	Select a sample of the lesser of 50 or 10 % of the number of pensioners paid directly from the fund from the above list and perform the following procedures:	Not applicable.
11.2.1	Inspect the pensioner increases for authorisation by the Board of Fund.	Not applicable.
11.2.2	Inspect evidence obtained by the administrator/Fund supporting the fact that the pensioners selected exist.	Not applicable.
11.3	Where the Fund has purchased an annuity in the name of the Fund, obtain a written confirmation from the annuity provider summarising movements from opening market value to closing market value and perform the following procedures:	Not applicable. There are no reinsured pensioners in the Fund.
11.3.1	Agree the closing market value of the annuity to the annual financial statements.	Not applicable.
11.3.2	Agree the pensioner payment per the confirmation from the insurer to the pensions paid disclosed in the notes to the annual financial statements.	Not applicable.
<b>12</b>	<b>General</b>	
12.1	Inspect evidence that the Fund's fidelity insurance cover was in place throughout the year ended 31 December 2015, that the Fund's fidelity insurance cover extends after year-end and report the date to which the subsequent fidelity insurance cover extends.	The Fund's fidelity insurance cover was in place throughout the year ended 31 December 2015. The subsequent fidelity insurance cover extended to 31 July 2016.
12.2	Confirm with the Fund's GLA insurer as to whether the GLA policy has lapsed at year ended 31 December 2015.	The fund's GLA insurer confirmed that the GLA policy has not lapsed at the year ended 31 December 2015.
12.3	Obtain the most recent statutory valuation signed and submitted by the valuator as at valuation date and perform the following procedures:	The most recent signed statutory valuation for the year ended 31 December 2014 was obtained.
12.3.1	Report the funding status of the Fund per the report (whether the Fund was under-funded or fully funded).	This most recent statutory valuation noted above, indicated that the fund had a funding level of 99.9%.

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**SCHEDULE I**

**THACSA PENSION FUND**

Registration number: 12/8/20517

**Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING  
(THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings**

For the year ended 31 December 2015

	<b>Procedures</b>	<b>Findings</b>
12.3.2	Where the Fund is under-funded, obtain evidence as to whether a scheme, as required in terms of section 18 of the Act in South Africa, has been approved by the Registrar.	As the fund is not more than 2% underfunded, as per the Interpretation Note 2 of 2010. The Fund is therefore not required to apply for a scheme as required in terms of section 18 of the Act.

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**TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND**  
**SCHEDULE 1A - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

INVESTMENTS	Notes	Direct		Total	Local	Foreign	Total Foreign	Total percentage of foreign exposure	TOTAL as per Regulation 28 (Schedule 1B)
		Investments	Compliant Investments						
Cash (including cash at bank)		A	R	R	R	R	R		R
Collective Investment Schemes									
Insurance policies									
Linked policies									
Non-linked policies									
<b>Total Investments</b>									

The fund exceeded the foreign exposure limitation of 25% due to market fluctuations by 5.83% of which 2.16% is in respect of deemed Africa investments. These market fluctuations are permitted under Regulation 28.

Foreign breach in investment asset holding occurred due to the Rand weakening significantly. This breach was not caused by additional monies flowing offshore. The fund has a period of twelve months to repatriate excessive exposure to local markets. The breach is viewed as a soft breach by the South African Reserve Bank.

**A CASH**

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	1,516,393
Notes and coins, any balance or deposit in an account held with a South African bank - exceeding 5% of total assets	1,516,393
Medbank Limited	1,516,393
<b>Total</b>	<b>1,516,393</b>

**L CERTIFIED REGULATION 28 COMPLIANT INVESTMENTS**

Instrument	Fair value
Local	R
Collective Investment Schemes – regulation 28(b)(i)	31,663,763
Investec	88,705,026
Prudential	120,368,789
<b>Total of issuers exceeding 5%</b>	<b>209,073,578</b>

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2015

Total 120,368,789

Linked policies – regulation 28(8)(b)(ii) 75,643,705

Local 75,643,705

Allan Gray Global Balanced 75,643,705

Total of issuers exceeding 5% 75,643,705

Total 75,643,705

Non Linked policies – regulation 28(8)(b)(iii) 369,625,105

Local 369,625,105

Momentum Multi-Manager Smooth Growth 369,625,105

Total of issuers exceeding 5% 369,625,105

Total 369,625,105

Total certified Regulation 28 compliant investments 565,637,599

P RECONCILIATION BETWEEN THE INVESTMENTS IN SCHEDULE H2 AND SCHEDULE IA

	Fair value current period (as per Schedule HA2.1)	Cash at bank	Total
Cash	R	R	R
Collective investment schemes	120,368,789	1,516,393	1,516,393
Insurance policies	445,268,810	-	445,268,810
<b>Total Investments</b>	<b>565,637,599</b>	<b>1,516,393</b>	<b>567,153,992</b>



**TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND**

**SCHEDULE IB  
ASSETS HELD IN COMPLIANCE WITH REGULATION 28  
AT 31 DECEMBER 2015**

		Fair value R
<b>A</b>	<b>Total assets (Schedule IA -Total investments)</b>	567,153,992
<b>B1</b>	<b>Less: Reg 28 compliant investments (certificate received from issuing entity):-</b>	(565,637,599)
<b>B.1.1</b>	Collective Investment Schemes (Reg 28(8)(b)(i))	(120,368,789)
<b>B.1.2</b>	Linked Policies (Reg 28(8)(b)(ii))	(75,643,705)
<b>B.1.3</b>	Non-Linked policies (Reg 28(8)(b)(iii))	(369,625,105)
<b>B.1.4</b>	Entity regulated by FSB (Reg 28(8)(b)(iv))	-
<b>B2</b>	<b>Less: Reg 28 excluded investments</b>	-
<b>B2.1</b>	Insurance Policies ( Reg 28(3)(c))	-
<b>C</b>	<b>Less: Investments not disclosed /data not available for disclosure [Refer to schedule IAN]</b>	-
<b>D</b>	<b>TOTAL ASSETS FOR REGULATION 28 DISCLOSURE</b>	<u>1,516,393</u>

Categories of kinds of assets		Fair value R	Fair value %
<b>1</b>	<b>CASH</b>	1,516,393	100.00%
<b>1.1</b>	<b>Notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments</b> 100%	1,516,393	100.00%
<b>1.1(a)</b>	Notes and coins; any balance or deposit in an account held with a South African bank; Nedbank Limited 25%	1,516,393	100.00%
<b>1.1(b)</b>	A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument	-	0.00%
<b>1.1(c)</b>	Any positive net balance in a margin account with an exchange	-	0.00%
<b>1.1(d)</b>	Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets	-	0.00%
<b>1.2</b>	<b>Balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments</b> SARB max. limits	-	0.00%
<b>1.2(a)</b>	Any balance or deposit held with a foreign bank	-	0.00%
<b>1.2(b)</b>	Any balance or deposit held with an African bank	-	0.00%
<b>1.2(c)</b>	A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument	-	0.00%
<b>2</b>	<b>DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS</b>	-	0.00%
<b>2.1</b>	<b>Inside the Republic</b> 100%	-	0.00%
<b>2.1(a)</b>	Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic 100%	-	0.00%
<b>2.1(b)</b>	Debt instruments issued or guaranteed by the government of a foreign country 75%	-	0.00%
<b>2.1(c)</b>	Debt instruments issued or by a South African bank against its balance sheet 75%	-	0.00%
<b>2.1(c)(i)</b>	Listed on an exchange with an issue market capitalisation of R20 billion or more, or an amount or conditions as prescribed 75%	-	0.00%
<b>2.1(c)(ii)</b>	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed 75%	-	0.00%
<b>Carried forward</b>		1,516,393	100.00%

**TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND**

**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28  
FOR THE YEAR ENDED 31 DECEMBER 2015**

Categories of kinds of assets		Fair value R	Fair value %
Brought forward		1,516,393	100.00%
2.1(c)(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	-	0.00%
2.1(c)(iv)	Not listed on an exchange	-	0.00%
2.1(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	-	0.00%
2.1(d)(i)	Listed on an exchange	-	0.00%
2.1(d)(ii)	Not listed on an exchange	-	0.00%
2.1(e)	Other debt Instruments:-	-	0.00%
2.1(e)(i)	Listed on an exchange	-	0.00%
2.1(e)(ii)	Not listed on an exchange	-	0.00%
	SARB max. limits	-	0.00%
2.2	<b>Foreign</b>		
2.2(a)	Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic	-	0.00%
2.2(b)	Debt instruments issued or guaranteed by the government of a foreign country	-	0.00%
2.2(c)	Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-	-	0.00%
2.2(c)(i)	Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	-	0.00%
2.2(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	-	0.00%
2.2(c)(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	-	0.00%
2.2(c)(iv)	Not listed on an exchange	-	0.00%
2.2(d)	Debt instruments issued or guaranteed by an entity that has equity listed on an exchange	-	0.00%
2.2(d)(i)	Listed on an exchange	-	0.00%
2.2(d)(ii)	Not listed on an exchange	-	0.00%
2.2(e)	Other debt instruments	-	0.00%
2.2(e)(i)	Listed on an exchange	-	0.00%
2.2(e)(ii)	Not listed on an exchange	-	0.00%
3	<b>EQUITIES</b>		
3.1	<b>Inside the Republic</b>		
3.1(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	-	0.00%
3.1(a)(i)	Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	-	0.00%
Carried forward		1,516,393	100.00%

**TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND**

**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28  
FOR THE YEAR ENDED 31 DECEMBER 2015**

Categories of kinds of assets		Fair value R	Fair value %
Brought forward		1,516,393	100.00%
3.1(a)(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed 75%	-	0.00%
3.1(a)(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed 15%	-	0.00%
3.1(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange 15%	-	0.00%
3.2	<b>Foreign</b>	-	0.00%
3.2(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:- max. limits	-	0.00%
3.2(a)(i)	Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed SARB max. limits	-	0.00%
3.2(a)(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed SARB max. limits	-	0.00%
3.2(a)(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed SARB max. limits	-	0.00%
3.2(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange 10%	-	0.00%
	ICHIRIZUKA MASTER FUND 2.5%	-	0.00%
	Immobiliare Grande Distribuzio 2.5%	-	0.00%
4	<b>IMMOVABLE PROPERTY</b>	-	0.00%
4.1	<b>Inside the Republic</b> 25%	-	0.00%
4.1(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%	-	0.00%
4.1(a)(i)	Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed 25%	-	0.00%
4.1(a)(ii)	Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed 25%	-	0.00%
4.1(a)(iii)	Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed 25%	-	0.00%
4.1(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%	-	0.00%
4.2	<b>Foreign</b> 25%	-	0.00%
4.2(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%	-	0.00%
4.2(a)(i)	Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed 25%	-	0.00%
4.2(a)(ii)	Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed 25%	-	0.00%
4.2(a)(iii)	Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed 25%	-	0.00%
4.2(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%	-	0.00%
5	<b>COMMODITIES</b>	-	0.00%
5.1	<b>Inside the Republic</b> 10%	-	0.00%
5.1(a)	Kruger Rands and other commodities on an exchange, including exchange traded commodities 10%	-	0.00%
5.1(a)(i)	Gold (including Kruger Rands) 10%	-	0.00%
Carried forward		1,516,393	100.00%

**TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND**

**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28  
FOR THE YEAR ENDED 31 DECEMBER 2015**

Categories of kinds of assets			Fair value R	Fair value %
Brought forward			1,516,393	100.00%
5.1(a)(ii)	Other commodities	5%	-	0.00%
5.2	<b>Foreign</b>	10%	-	0.00%
5.2(a)	Gold and other commodities on an exchange, including exchange traded commodities	10%	-	0.00%
5.2(a)(i)	Gold	10%	-	0.00%
5.2(a)(ii)	Other commodities	5%	-	0.00%
7	<b>HOUSING LOANS GRANTED TO MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 19(5)</b>	95%	-	0.00%
8	<b>HEDGE FUNDS, PRIVATE EQUITY FUNDS AND ANY OTHER ASSET NOT REFERRED TO IN THIS SCHEDULE</b>		-	0.00%
8.1	<b>Inside the Republic</b>	15%	-	0.00%
8.1(a)	Hedge fund	10%	-	0.00%
8.1(a)(i)	Funds of hedge funds	10%	-	0.00%
8.1(a)(ii)	Hedge funds	10.0%	-	0.00%
8.1(b)	Private equity funds	10%	-	0.00%
8.1(b)(i)	Funds of private equity funds	10%	-	0.00%
8.1(b)(ii)	Private equity funds	10.0%	-	0.00%
8.1(c)	Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2.5%	-	0.00%
8.2	<b>Foreign</b>	15%	-	0.00%
8.2(a)	Hedge fund	10%	-	0.00%
8.2(a)(i)	Funds of hedge funds	10%	-	0.00%
8.2(a)(ii)	Hedge funds	10.0%	-	0.00%
8.2(b)	Private equity funds	10%	-	0.00%
8.2(b)(i)	Funds of private equity funds	10%	-	0.00%
8.2(b)(ii)	Private equity funds	10.0%	-	0.00%
8.2(c)	Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2.5%	-	0.00%
<b>TOTAL ASSETS – REGULATION 28</b>			<b>1,516,393</b>	<b>100.00%</b>

The percentage exposure to the assets classes set out in item 1 was calculated with reference to "Total assets for Regulation 28 disclosure" (item D on page 40) to comply with the Financial Services Board reporting requirements. In terms of Regulation 28 of the Pension Funds Act, the percentage exposure should be calculated with reference to the "Total Assets" (item A on page 40). Had the percentage exposure been correctly calculated, the individual cash in item 1 would not have breached the maximum exposure as allowed in Regulation 28 of the Pension Funds Act.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND  
 SCHEDULE 1B - ASSETS HELD IN COMPLIANCE WITH REGULATION 28  
 FOR THE YEAR ENDED 31 DECEMBER 2015

INVESTMENT SUMMARY (Regulation 28)

	Local R	Fair value %	Foreign (Excluding Africa) R	Fair value %	Africa R	Fair value %	Total R
1 Balances or deposits, money market instruments issued by a bank including Islamic liquidity management financial instruments	1,516,393	0.27	-	-	-	-	1,516,393
9 Fair value of assets to be excluded in terms of sub-regulation (9)(b) of Regulation 28	390,756,262	68.90	174,881,337	30.83	-	-	565,637,599
<b>TOTAL</b>	<b>392,272,655</b>	<b>69.17</b>	<b>174,881,337</b>	<b>30.83</b>	<b>-</b>	<b>-</b>	<b>567,153,992</b>

NOTES:

- Foreign breach in investment asset holding occurred due to the Rand weakening significantly. This breach was not caused by additional monies flowing offshore. The fund has a period of twelve months to repatriate excessive exposure to local markets. The breach is viewed as a soft breach by the South African Reserve Bank.

**TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND  
SCHEDULE IB**

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

**TO THE BOARD OF THE FUND**

We have audited Schedule IB "Assets held in compliance with Regulation 28" of Tourism, Hospitality And Catering (Thacsa) Pension Fund (the Fund) at 31 December 2015 (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 40 to 44. Our engagement arises from our appointment as auditor of the Fund and is for the purpose of assisting the Board of Fund 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 of our audit engagement on the annual financial statements and forms the subject matter of this engagement. Our audit of the annual financial statements of the Tourism, Hospitality And Catering (Thacsa) Pension Fund for the year ended 31 December 2015 was conducted in accordance with International Standards on Auditing and in our report 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 Fund's Responsibility for the Schedule**

The Board of Fund 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 Fund 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 judgment, 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 held in compliance with Regulation 28" at 31 December 2015 by Tourism, Hospitality And Catering (Thacsa) 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.

### **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.

*PricewaterhouseCoopers Inc.*

**PricewaterhouseCoopers Inc.**  
**Director: V. Wiese**  
**Registered Auditor**

Address: P O Box 2799, Cape Town, 8000

Date: *15 June 2016*