



**NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY
PENSION FUND (“the Fund or NRZCPF”)**

Actuarial Valuation as at 31 December 2025

Prepared By

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(In my capacity as Fund Actuary)

For and on behalf of



01 April 2026

STRICTLY CONFIDENTIAL

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1. EXECUTIVE SUMMARY

- 1.1. We have carried out an actuarial valuation of the National Railways of Zimbabwe Contributory Pension Fund (“the Fund”) as at 31 December 2025, in line with the Board Members instructions and the regulatory requirements of Section 3 (1) (a) of Statutory Instrument 69 of 2020.
- 1.2. The previous valuation was at 31 December 2024 where a surplus of **ZWG 257 293 131** was disclosed. This surplus translated to a funding level (i.e., the ratio of scheme assets to the value of liabilities) of **103.4 %**.
- 1.3. The review period is 01 January 2025 to 31 December 2025.

The Economy

- 1.4. In 2025, Zimbabwe’s economy showed signs of recovery and stabilization, with GDP growth projected at around 6.6%, driven mainly by strong performance in agriculture, mining, and the services sector. Improved agricultural output supported food security and modest poverty reduction, while mining and remittances boosted foreign currency inflows. Tight monetary and fiscal policies helped stabilize the ZWG currency and contain inflation, contributing to improved macroeconomic confidence.
- 1.5. Despite these gains, the economy continued to face significant challenges, including a large informal sector, infrastructure gaps, and weak formal job creation, underscoring the need for sustained reforms to support inclusive and long-term growth.
- 1.6. The exchange rate increased from USD: ZWG 25.82 on the 2nd of January 2025 to ZWG 25.98 on the 31st of December 2025, thus the ZWG weakened slightly over the year, indicating a marginal depreciation of 0.62%.
- 1.7. The Year-on-year inflation averaged 15.00% during 2025.
- 1.8. The All-Share Index increased by 27.43% from 217.58 points on the 1st of January 2025, to 277.26 points registered on the 31st of December 2025.
- 1.9. The Victoria Falls All Share Index (VFEX - ASI) delivered a strong performance in 2025, rising from 104.29 points on the 1st of January to close of the year at 177.12 points on the 31st of December 2025, an overall gain of 69.83%. This growth was supported by improved market

sentiment, with market capitalisation reaching a record US\$1.85 billion in the third quarter, reflecting heightened investor confidence and stronger equity valuations.

1.10. The Fund earned a return of **14.19%** over the period. This means that the Fund performed below the annual inflation recorded in 2025 by **0.4%**.

1.11. Therefore, we recommend that the Board continues to focus on sustaining and further enhancing the Fund’s performance relative to the established benchmarks.

Summary of results

1.12. The total assets of the Fund as at 31 December 2025 were;

	US\$	ZWG
Total assets as at 31 December 2025	329 776 699	8 567 829 484

Table 1: Total Assets

1.13. The net assets backing liabilities after deducting current liabilities are;

	US\$	ZWG
Total Net assets as at 31 December 2025	324 470 572	8 429 972 590

Table 2: Net Assets

Financial position before recommendations

1.14. The results of the Actuarial valuation as at 31 December 2025 is outlined in the table below:

Present Value of Past Service Pension Rights	31-Dec-25 After recommendations US\$	31-Dec-25 After recommendations ZWG
Active Members		
Other Members (calculated liability)	49 978 485	1 298 476 013
Other Members Revaluation Gains	35 632 531	925 758 098
Engineman (calculated liability)	3 388 427	88 033 701
Engineman Revaluation Gains	2 624 684	68 191 135
Pensioners		
Active Pensioners		
Principal Member (calculated liability)	124 496 683	3 234 510 963
Principal Member Unallocated Revaluation Gains	-	-
Spouse Member (calculated liability)	53 761 176	1 396 752 983
Spouse Unallocated Revaluation Gains	-	-
Child Member (calculated liability)	1 945 593	50 547 867
Child Unallocated Revaluation Gains	-	-
Suspended Pensioners		
Principal Member (calculated liability)	4 742 767	123 220 395
Principal Member Unallocated Revaluation Gains	-	-
Spouse Member (calculated liability)	5 997 146	155 810 043
Spouse Unallocated Revaluation Gains	-	-
Child Member (calculated liability)	715 849	18 598 265
Child Unallocated Revaluation Gains	-	-
Deferred Pensioners		
Deferred Member (calculated liability)	1 050 282	27 287 069
Deferred Pensioners Revaluation Gains	7 672 120	199 327 047
	-	-
Unclaimed Benefits	2 460	63 921
Unclaimed benefits Revaluation Gains	-	-
Exits Revaluation Gains Reserves	29 236 573	759 586 622
Past service liability	321 244 775	8 346 164 122
Assets	324 470 572	8 429 972 590
Total Value of assets	324 470 572	8 429 972 590
Past service excess of assets over liabilities	3 225 797	83 808 468
Funding Level	101%	101%

Table 3: Financial Position before recommendations

1.15. The Fund had a surplus of **US\$3 225 797 (ZWG 83 808 468)** as at 31 December 2025, with a funding level of **101%**.

1.16. The table below shows our analysis of surplus over the investigation period;

Analysis of Surplus	Amount (USD)	Amount (ZWG)
Surplus as at 31 December 2024	9 903 241	257 293 131
Improvement of benefits	8 906 773	231 404 192
Returns above valuation assumption	12 344 299	320 713 540
Release of the Exits Revaluation Gains Reserves	41 150 498	1 069 118 751
Interest on surplus	990 324	25 729 313
Salary increases higher than valuation assumption	-15 343 253	-398 628 453
Share of revaluation gains FY2025	-14 697 273	-381 845 452
Mortality profit	3 970 044	103 144 513
Cost of pension increases as per paragraph 1.20	-43 703 898	-1 135 457 864
<i>Other items</i>	-294 957	-7 663 202
Surplus as at 31 December 2025	3 225 797	83 808 468

Table 4: Analysis of surplus

1.17. The funding level has slightly declined due to a mismatch between the growth in liabilities driven by increases in salaries and pension payments and the relatively lower growth in assets over the same period. However, this was offset by the release of the Exits Revaluation Gains Reserves.

1.18. The table below shows the liability mix comparison as at 05 April 2024 to 31 December 2025;

Liability mix comparison	05 April 2024	30 June 2024	31 Dec 2024	31 Dec 2025
Active Members	25%	24%	25%	29%
Pensioners	47%	48%	50%	60%
Deferred Pensioners	3%	1%	3%	3%
Unclaimed Benefits	0%	0%	0%	0%
Exits Revaluation Gains Reserves	25%	27%	22%	9%
Total	100%	100%	100%	100%

Table 5: Liability mix

1.19. The comparison shows consistency in liability mix, which aligns with the release of the Exits Revaluation Gains Reserves to the respective members.

1.21. The table below summarizes the increases awarded during the review period;

Month	Description
Feb 2025	The Fund awarded an increase of up to USD20 for Pensioners who were in the Fund payroll as at 31 Dec 2018. Pensioners who had total discrepancies of less than USD20 received full adjustments to close the gap to their Dec 2018 pension values.
April 2025	The Fund awarded an increase of up to USD9.50 to all Pensioners subject to the attainment of December 2018 pension values. Pensioners who retired after Dec 2018 received a flat USD9.50.
July 2025	The Fund awarded 5% increase to all Pensioners effective 1 July 2025 in accordance with Rule 78.
September 2025	The Fund awarded an increase of up to a minimum of USD65 to Pensioners earning above minimum and who were in the Fund payroll as at 31 Dec 2018.
Dec 2025	The Fund awarded an increase to Pensioners earning above minimum and who were in the Fund payroll as at 31 Dec 2018 and had not yet reached their Dec 2018 pension amounts. All pensioners who retired before 2018 received full adjustments to reach 2018 pension levels.

Table 6: Pension Increases

1.22. Therefore, at this valuation no pension increase is recommended, and we suggest future pension increases be based on investment returns earned as well from the release of the Exits Revaluation Gains Reserves subject to liquidity availability.

1.23. Overall, the Fund is financially sound as at 31 December 2025.

Future service valuation results

1.24. The total cost of future service accrual shown below.

Future Service	Percentage
Required for balance of accrual	8.8%
Future Expenses	10.0%
Current Cost (GLA Cost)	3.6%
Contingency Margin	2.6%
Recommended Total Contribution Rate	25.0%
Employee contribution Rate	8.0%
Recommended Employer Contribution Rate	17.0%

Table 7: Future Service

1.25. We recommend that the Employer increase its current contribution rate of **3%** to **17%**, with this position to be reviewed at the next valuation.

1.26. However, the Fund is now paid-up with effect from 01 April 2024 and the Employer is currently contributing 3% and the Member is contributing 8%.

1.27. We also note that the Employer has resolved to maintain the Fund as a Defined Benefit (DB) Scheme, and discussions are currently ongoing regarding an increase in Employer contributions from 3.0% to 14.4% effective 1 January 2026.

Other issues

Rule Amendment

1.28. Effective 14 February 2025, IPEC approved the following for the Fund;

- The early retirement age shall be fifty-five (55) for Enginemen and sixty (60) for all other Members.
- The normal retirement age shall be sixty (60) for Enginemen and sixty-five (65) for all other Members.

1.29. A Rule amendment was done to this effect.

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

1.30. We have assessed the impact of the Zimbabwe Mortality Tables on the National Railways of Zimbabwe Contributory Pension Fund Pensioners.

1.31. Our assessment shows that the Zimbabwe mortality is lower than the current basis.

1.32. Since the Zimbabwe mortality is lower than the current basis PA (90) this means that on the average our Pensioners are living longer than what is being assumed, hence, to continue paying the same pension this means we need to set aside more monies (reserves) to pay the pension for the now longer life.

1.33. This is illustrated in the financial position below.

Present Value of Past Service Pensions Rights	31-Dec-25		31-Dec-25	
	Current Basis PA (90)	Zim Mortality Tables	Current Basis PA (90)	Zim Mortality Tables
	Amount (US\$)		Amount (ZWG)	
Active Members	91 624 127	91 624 127	2 380 458 946	2 380 458 946
Pensioners	191 659 213	210 858 821	4 979 440 516	5 478 259 758
Deferred Pensioners	8 722 402	8 722 402	226 614 116	226 614 116
Unclaimed Benefits	2 460	2 460	63 921	63 921
Exits Revaluation Gains Reserves	29 236 573	29 236 573	759 586 622	759 586 622
Past service liability	321 244 775	340 444 382	8 346 164 122	8 844 983 363
Assets	324 470 572	324 470 572	8 429 972 590	8 429 972 590
	0	0		
Total Value of assets	324 470 572	324 470 572	8 429 972 590	8 429 972 590
Past service excess of assets over liabilities	3 225 797	-15 973 810	83 808 468	-415 010 773
Funding Level	101%	95%	101%	95%

Table 8: Financial Position after Implementation of Zim Mortality Tables

1.34. We recommend that the Fund gradually move to the Zimbabwe Mortality Tables over the next five years.

Conclusion and Recommendations

- 1.35. We have carried out an actuarial valuation of the National Railways of Zimbabwe Contributory Pension Fund as at 31 December 2025.
- 1.36. Our past services result show that the Fund is in a sound financial position with a surplus of **US\$3 225 797 (ZWG 83 808 468)** at the valuation date, reflecting a funding level of **101%**.
- 1.37. We recommend that the Employer increase its current contribution rate of **3%** to **17%**, with this position to be reviewed at the next valuation.
- 1.38. We would be happy to discuss all issues raised.

For and on behalf of

Mureriwa Actuarial Outsourcing Services (MAOS)



David T. Mureriwa

Fellow of the Actuarial Society of South Africa

Fellow of the Faculty of Actuaries (UK)

(In my capacity as the Fund Actuary)

1 April 2026

2. INTRODUCTION

Background

- 2.1. Mureriwa Actuarial Outsourcing Services (**MAOS**) has been requested by the Board Members of the **National Railways of Zimbabwe Contributory Pension Fund (the Fund)** to carry out an actuarial valuation of the Fund as at 31 December 2025 (the valuation date).
- 2.2. The National Railways of Zimbabwe Contributory Pension Fund is a standalone Defined Benefit Fund.
- 2.3. Effective 01 April 2024, the Fund was made paid-up.

Previous valuation and developments since previous valuation date

- 2.4. The previous valuation was at 31 December 2024 where a surplus of **ZWG 257 293 131** was disclosed. This surplus translated to a funding level (i.e., the ratio of scheme assets to the value of liabilities) of **103.4%** at the previous valuation.
- 2.5. Please see below a summary result;

	31-Dec-24
Description	After distribution of Revaluation Gains (ZWG)
Net Assets	7 787 651 827
Accrued Actuarial Liabilities	7 530 358 696
Active Members	1 839 896 836
Pensioners	3 843 982 652
Deferred Pensioners	198 828 895
Unclaimed Benefits	29 525
Exits Revaluation Gains Reserves	1 647 620 789
Surplus/(Deficit)	257 293 131
Funding level	103.4%

Table 9: Financial position as at 31 Dec 2024

Purpose of this actuarial valuation

2.6. The specific objectives of the exercise are:

- i. To determine the Revaluation Gains arising from the conversion of assets from US\$ to ZWG as well as subsequent inflation experienced from 01 January 2025 to 31 December 2025.
- ii. To equitably distribute the Revaluation Gains to all Members of the Fund as at valuation date.
- iii. To value the assets and liabilities of the Fund from US\$ to ZWG through the:
 - a. The determination of the past service liability in respect of the current active Members based on their current pensionable emoluments and service accrued prior to the valuation date.
 - b. The determination the liability of the pensions that are to Pensioners and Beneficiaries from the Fund.
 - c. The valuation of the assets of the Fund in ZWG and comment if assets of the Fund are appropriate.
- iv. To assess the financial progression of the Fund since the previous valuation.
- v. Investigate the Fund's financial position (in ZWG terms) in respect of benefits and service accrued prior to the valuation date.
- vi. To meet statutory requirements as per IPEC Guidelines; and,
- vii. Comment on any other issues, peculiar to the Fund.

2.7. The results of this exercise will be based on estimates of the cost of the benefits, which the Fund provides based on assumptions regarding the future of the Fund and does not influence the actual cost of the benefits. It is the experience of the Fund that will determine the ultimate cost.

Professional guidance

2.8. This report has been prepared in accordance with the Standard of Actuarial Practice 201 (SAP201) issued by the Actuarial Society of South Africa current at the date of signing this report. These standards set out the minimum requirements of an actuarial valuation report to meet the standards of the actuarial profession.

3. MARKET OVERVIEW

Economy

- 3.1. The Zimbabwean Gold (ZWG) currency experienced significant depreciation against the USD, rising from ZWG 25.7985 to ZWG 26.9457 within six months. Thus, the ZWG depreciated by approximately **4.44%** against the USD during this period.
- 3.2. In 2025, Zimbabwe's economy showed signs of recovery and stabilization, with GDP growth projected at around 6.6%, driven mainly by strong performance in agriculture, mining, and the services sector. Improved agricultural output supported food security and modest poverty reduction, while mining and remittances boosted foreign currency inflows. Tight monetary and fiscal policies helped stabilize the ZWG currency and contain inflation, contributing to improved macroeconomic confidence.
- 3.3. Despite these gains, the economy continued to face significant challenges, including a large informal sector, infrastructure gaps, and weak formal job creation, underscoring the need for sustained reforms to support inclusive and long-term growth.
- 3.4. The exchange rate increased from USD: ZWG 25.82 on the 2nd of January 2025 to ZWG 25.98 on the 31st of December 2025, thus the ZWG weakened slightly over the year, indicating a marginal depreciation of 0.62%.
- 3.5. The Year-on-year inflation averaged 15.00% during 2025.
- 3.6. The All-Share Index increased by 27.43% from 217.58 points on the 1st of January 2025, to 277.26 points registered on the 31st of December 2025.
- 3.7. The Victoria Falls All Share Index (VFEX - ASI) delivered a strong performance in 2025, rising from 104.29 points on the 1st of January to close of the year at 177.12 points on the 31st of December 2025, an overall gain of 69.83%. This growth was supported by improved market sentiment, with market capitalisation reaching a record US\$1.85 billion in the third quarter, reflecting heightened investor confidence and stronger equity valuations.

The Pension Industry

- 3.8. The pensions industry in Q4 2025 operated within a comparatively more stable macroeconomic environment, which supported moderate asset growth and improved valuation outcomes, particularly across property and equity portfolios.
- 3.9. Total sector assets increased to approximately US\$3.11 billion, driven largely by fair value adjustments rather than strong organic contribution growth, while the industry remained structurally dominated by defined contribution schemes.
- 3.10. Membership levels marginally increased, mainly reflecting data clean-up exercises and the reclassification of dormant members into unclaimed benefits, rather than sustained formal employment growth.
- 3.11. Asset allocation remained highly concentrated in property and equities, exposing funds to valuation and liquidity risks, while compliance with prescribed asset requirements continued to lag the statutory minimum despite incremental increases in absolute investments.
- 3.12. Financial performance was underpinned by investment income, with membership activities generating a surplus, although administrative activities remained cost-inefficient and loss-making.
- 3.13. Contribution arrears declined marginally but remained a persistent risk, highlighting ongoing employer compliance challenges.
- 3.14. Overall, the sector showed balance-sheet resilience and improved stability, but continued to face structural inefficiencies, governance pressures, and sustainability risks that require ongoing regulatory oversight and strategic reform.

3.15. The following circulars were issued by IPEC during the valuation period;

Circular	Issue date	Content
Circular 1 of 2025	02-Jan-25	Pension Funds Reporting Requirements.
Circular 2 of 2025	15-Feb-25	Submission of Quarterly Levy Computations and Due Dates.
Circular 4 of 2025	07-Feb-25	2025 IPEC AML/CFT/CPF Industry Training Calendar.
Circular 6 of 2025	24-Feb-25	Engagement with the Consultant on Financial Sector Development Policy.
Circular 7 of 2025	07-Mar-25	Invitation to Participate in Digital Transformation Assessment.
Circular 8 of 2025	27-Mar-25	2024 Financial Reporting.
Circular 9 of 2025	28-Mar-25	Directive on Revised Statutory Reporting Deadlines.
Circular 10 of 2025	28-Mar-25	Market Conduct Framework for The Insurance and Pensions Industry.
Circular 19 of 2025	27-Aug-25	Revised Quarterly Return for Pension and Provident Funds
Circular 20 of 2025	15-Aug-25	Registration of Financial Statements Preparers with Public Accountants and Auditors Board
Circular 21 of 2025	15-Aug-25	Urgent Request for Comprehensive Annuitants Data
Circular 22 of 2025	04-Sept-25	Guideline on Administrative Framework for Offshore Investments
Circular 23 of 2025	10-Sept-25	Request for Comments and Input into the Guideline on Preservation Funds
Circular 24 of 2025	10-Sept-25	Guideline on Revised Reporting Requirements for Pension Funds
Circular 25 of 2025	16-Sept-25	Board of Fund Members (Trustee) Toolkit
Circular 26 of 2025	15-Sept-25	Guideline on Self-insurance and Underwriting of Annuities by DC Funds

Table 10: 2025 IPEC Circulars

3.16. Note that these market conditions shape some of our recommendations.

4. SUMMARY OF DATA

- 4.1. The data required for the valuation has been obtained from records which are maintained by the Fund's management.
- 4.2. Reliance is placed on, but not limited to, the accuracy of the following:
- Actuarial valuation report as at 31 December 2024 by MAOS.
 - Membership data for Actives, Unclaimed benefits, Deferred Pensioners and Pensioners as of 31 December 2025.
 - Audited Financial Statements of the Fund as at 31 December 2025.
 - Fund Rules.
 - Circular 1 of 2026.
- 4.3. In cases where data was not available but was of no material consequence to the financial position of the Fund, we have made necessary assumptions.
- 4.4. The data was subjected to various checks for reasonability and consistency; we are satisfied with the accuracy and completeness of the data for the purposes of this valuation.
- 4.5. While data checks are performed for the valuation, the final accountability for the accuracy of the Fund's data, however, resides with the Board Members and the Administrators.
- 4.6. The following summarizes the Membership data for Active Members provided as at the current valuation date:

Other Active Members

Other Active Members			
	Males	Females	Total
Numbers	2 630	517	3 147
Salary Weighted Age	47.0	43.3	46.3
Average Age	46.4	42.8	45.8
Past Service	19.5	14.2	18.6
Future Service	18.6	22.2	19.2
Average Salary	126 659	140 772	128 977
Total Salary	333 112 939	72 778 875	405 891 814

Table 11: Other Actives Members Data Summary

- 4.7. Other Active Members are 3 147 with total annual salary of **ZWG 405 891 814**.

Engineman Active Members

Engineman Active Members			
	Males	Females	Total
Numbers	169	2	171
Salary Weighted Age	43.7	37.5	43.6
Average Age	43.7	37.5	43.6
Past Service	20.4	11.6	20.3
Future Service	16.3	22.5	16.4
Average Salary	139 727	138 228	139 710
Total Salary	23 613 896	276 457	23 890 353

Table 12: Engineman Actives Members Data Summary

4.8. Engineman Active Members are 171 with total annual salary of **ZWG 23 890 353**.

4.9. The table below show the summary of all Pensioners as at 31 December 2025.

31-Dec-25		
	Active Pensioners	Suspended Pensioners
Number	9 133	1 902
Pension weighted average age	67	68
Total annual pension		
ZWG pensions	23 971 033	2 020 845
US\$ pensions	15 385 227	1 533 453

Table 13: Pensioner's data summary

4.10. The data checks and Membership reconciliation performed are outlined in **Appendix 3** and **4**.

4.11. The accuracy of any values quoted in this report and the conclusions reached are limited to the accuracy of the underlying data and information (listed above) on which this report is based. Should this data be any different from that representing the Membership of the Fund, this review will need to be redone.

5. VALUATION OF ASSETS

5.1. The objective of the valuation of a pension fund's assets for comparison with the Fund's accrued liabilities is to place a value on the assets which represents an assessment of the underlying long-term value of assets that is consistent with the principles used in placing a value on the Fund's liabilities.

5.2. The assets of the Fund as at 31 December 2025 were invested as follows:

Asset Class	31-Dec-24	31-Dec-25	31-Dec-25	Proportion
	Amount (US\$)	Amount (US\$)	Amount (ZWG)	
Property Investments	171 751 115	193 880 000	5 037 138 116	58.79%
Motor vehicles	663 366	538 501	13 990 633	0.16%
Furniture and equipment	22 824	48 800	1 267 858	0.01%
Computer systems and hardware	92 665	89 337	2 321 038	0.03%
Other (Office equipment)	40 548	21 076	547 569	0.01%
Quoted Ordinary Shares	7 632 901	1 259 595	32 725 160	0.38%
Unquoted Ordinary shares	3 272 332	4 194 391	108 973 214	1.27%
Unit Trusts	1 853		-	0.00%
Self-Insurance Fund Investment	791 331	1 788 423	46 464 481	0.54%
Approved holdings (Prescribed Assets)	20 897 462	34 021 839	883 911 193	10.32%
Non-Current Assets	97 023 330	85 503 667	2 221 445 121	25.93%
Staff Loans and Mortgages	181 361	213 721	5 552 621	0.06%
Outstanding Contributions	483 838	2 499 551	64 940 085	0.76%
Rental Arrears	3 028 802	4 254 146	110 525 691	1.29%
Interest Receivable	8 635	1 399	36 347	0.00%
Other- Prepayments and amounts due from agents	74 438	264 694	6 876 935	0.08%
Cash on hand or at bank	376 160	1 197 559	31 113 421	0.36%
Net Assets	306 342 961	329 776 699	8 567 829 484	100.00%

Table 14: Asset mix as at 31 December 2025

5.3. The net assets backing liabilities after deducting current liabilities are;

	US\$	ZWG
Total Net assets as at 31 December 2025	324 470 572	8 429 972 590

Table 15: Net Assets

5.4. Based on the average assets held over the period from 01 January 2025 to 31 December 2025, and the total net investment income of the Fund (*including capital appreciation/depreciation after deducting investment costs*), the return earned on the assets amounted to an average over of **14.19%**.

5.5. We recommend that the Investment Strategy of the Fund be continuously monitored to ensure an optimal performance of the Fund.

5.6. The Table below shows the build-up of the assets over the valuation period.

Consolidated Revenue Account	31-Dec-25	31-Dec-25
	Amount (US\$)	Amount (ZWG)
Opening balance	299 747 575	7 787 651 827
adjustments	547 240	14 217 673
Balance Of Fund On 1 Jan 2025	300 294 815	7 801 869 500
Contributions		-
Member Contributions	1 161 531	30 177 388
Redundancy Contributions	308 749	8 021 515
Employer Contributions	570 463	14 821 028
Interest On Contribution Arrears	555 957	14 444 152
Income From Investments		-
NRZ Interests Income	512 888	13 325 189
Dividends	1 265 432	32 876 809
Net Rentals	13 364 160	347 210 232
Profit/(Loss) On Disposals	20 371	529 253
Other Income	525 400	13 650 260
External Portfolio Net Gains/(Losses)	15 194 402	394 761 200
Gains/(Losses) On Revaluation of Investment Property	13 434 915	349 048 496
Gains/(Losses) On Revaluation of Equities	-18 419	-478 539
Expenditure		
Pensions	-17 252 896	-448 242 315
Bank Charges on Pensions Transfers	-309 982	-8 053 549
Lumpsum Awards on Death	-68 923	-1 790 668
Lumpsum Awards on Resignation/ Dismissal	-58 039	-1 507 894
Funeral Grants	-28 050	-728 759
Actuarial gain (DB funds)	-701 122	-18 215 640
Total Investment Expenses	-2 772 257	-72 025 177
Gross Administration Expenditure	-556 081	-14 446 075
Levies/ Interests and Taxes Paid	-3 612	-93 842
Agents Commission	-2 675 794	-69 519 001
Other Administration Costs	-563 687	-14 644 983
Trustees Fees and Expenses	-540 334	-14 038 256
Depreciation	-43 945	-1 141 722
Arrear Pension Benefits ¹	2 854 629	74 165 260
Miscellaneous	1	26
Balance As At 31 December 2025	324 470 572	8 429 972 590

Table 16: Revenue Account for the period 01 Jan 2025 – 31 Dec 2025

¹ We have added back arrear pension benefits of US\$2 854 629 to the Net Assets of US\$321 615 943 in the financial statements since the amount is included in our liabilities.

6. VALUATION OF LIABILITIES – METHODS AND ASSUMPTIONS

- 6.1. In this section we explain how liabilities were valued.
- 6.2. The Fund is defined benefits with Actives, Unclaimed benefits, Deferred Pensioners and Pensioners Members, each these were valued separately as follows.

Actives

- 6.3. We were provided with all Actives details, please refer to **Section 3** above. The salaries were in ZWG terms, and these were used to determine ZWG actives liabilities.
- 6.4. The general approach adopted in actuarial valuations is to estimate the future flows of income and expenditure of the Fund, and then to discount these flows of money at the valuation rate of interest in order to express the amounts in terms of present values. In placing a value on the liability for future benefit expenditure, allowance is made, on the actuarial assumptions adopted, for the expected level of expenditure in each future year. Thus, full allowance is made for future salary, and pension increases and the probability that a payment will arise in a particular year.
- 6.5. In determining the rates of contributions to be made to the Fund, the main objective is that enough assets should be built up during the working lifetimes of the Members to provide their pension and other benefits. It is also desirable that as far as possible, the cost of the benefits accruing for future service should be expressed as a percentage of Pensionable Emoluments that can be expected to remain reasonably stable.
- 6.6. The Fund's financial position and the Employers' contribution rate have been assessed using the Projected Age Method. This method capitalizes all the benefits that will accrue in respect of service in the future years following the valuation date by reference to projected final average emoluments and expresses this as a percentage of the value of total payroll for all Members in that year. Allowance is made for expected future withdrawals and deaths. This method makes allowance for future new entrants and anticipates a general stability in the average age of the Membership (the Fund is closed to new entrants.) This method is regarded as appropriate for a Fund with a large Membership if a reasonably stable contribution rate is required.

- 6.7. In order to place a value on the benefits for service to the valuation date, the value of liabilities in respect of service to that date based on projected pensionable emoluments at retirement or death is assessed. This value is then compared with the value placed on the Fund's assets. The objective is to aim for a funding level, that is, the ratio of the Fund's assets to that of the accrued benefits, of at least 100%.
- 6.8. The recommended contribution rate is normally determined as the sum of the ongoing contribution rate and an adjustment to reflect any shortfall or surplus of assets over liabilities in respect of past service. The future investment returns on the assets of the Fund and the amount and timing of the benefits payable under the Fund cannot be predicted in advance. It is necessary therefore to make assumptions about the future experience of the Fund to assess the present financial position. In considering the financial assumptions, it is relevant to note that they should reflect the rates expected to emerge during the future lifetime of the Fund. Thus, the assumptions to be adopted are long term assumptions.

Commentary on the financial assumptions used

- 6.9. The Zimbabwean economy currently does not have long term bonds which are normally used as benchmarks in setting discount rates. The outlook of inflation also looks uncertain as most consumable goods are still being imported into the country as the domestic industry's capacity is still depressed.

Economic assumptions

Inflation

- 6.10. Inflation was assumed at 5.00% pa.

Rate of Interest

- 6.11. It was assumed that the Fund's investments would yield 10.00% pa in the long run.

Pension increase

- 6.12. The rate of pension increase was assumed at 5.00% pa.

Salary Increments

- 6.13. It was assumed that Members' pensionable salaries would increase in future on account of inflation at an average long-term compound rate of 9.00% per annum.

Demographic Assumptions

- 6.14. Demographic assumptions are based on a recent study of decrement rates for Funds that we offer actuarial services to rather than the experience of any one specific Fund.
- 6.15. The assumed rates of withdrawal are based on our experience of similar Funds in Zimbabwe. Withdrawals in excess of those anticipated would generally result in a profit to the Fund. It is therefore prudent to maintain a margin in the assumed rates of withdrawal to ensure that the expected surplus emerging on withdrawals is not overstated.
- 6.16. The following assumptions have been applied for mortality:

Assumption	Males	Females
Pre-retirement rates	A67-70	A67-70
Post-retirement mortality rates	PA 90	PA90 (+2)

Table 17: Mortality Assumptions

- 6.17. Note that we have used mortality tables which reflect a lower mortality basing on the experience of similar Fund. The valuation results therefore give a more prudent presentation of the Fund's liability at the review date.
- 6.18. Male mortality both in retirement and deferment has been based on the A67-70 ultimate table with an addition to mortality of nil at age 15 rising by 0,025% for each year of age to 2,5% at age 40 and falling thereafter by 0,1% for each year of age to nil from age 65.
- 6.19. Wives are assumed to be 3 years younger than husbands and 100% Members are assumed to be married. Ill health retirement rates are assumed to be nil up to age 24; 0,175% from age 25 to 40 increasing by 0,0225% from age 41 onwards for both males and females.
- 6.20. Voluntary early retirement rates are assumed to be nil up to age 54 for both males and females increasing by 5% a year for 5 years. All Members reaching 65 are assumed to retire immediately.
- 6.21. Decrements are assumed to occur midway through the year of age: Members were grouped by age nearest birthday.
- 6.22. For the purposes of pension fund financing, the absolute rates assumed are of less importance than their relative values. It is thus important to focus attention on the financial assumptions as a whole and not on each component of the basis in isolation.

Pensioners

- 6.23. These Pensioners liabilities has been set as the present value of future pensions assuming the future life expectancy of Pensioners as well as future likely investment returns.
- 6.24. Pensioner’s liabilities have been set as the present value of future annuities assuming the future life expectancy of the Pensioners as well as future likely investment returns.
- 6.25. The following table shows the assumptions we used in valuing the Pensioners of the Fund.

Assumption	Valuation Basis	Circular 1 of 2026
Long Term Inflation	5%	5%
Investment Return	10%	10%
Pension Increase Rate	5%	5%
Male Mortality	PA (90)	Zimbabwe Mortality tables
Female Mortality	PA (90) (+2)	Zimbabwe Mortality tables (+2)
Guarantee period	5 years	5 years
Spouse Proportion (after commutation)	50%	50%
Children’s Maximum Age	24	24
Normal Retirement Age		
Engineman	60	60
Other Members	65	65

Table 18: Pensioners Valuation assumptions

7. VALUATION RESULTS – PAST SERVICE

On-going

7.1. The results of the Actuarial valuation as at 31 December 2025 is outlined in the table below:

Present Value of Past Service Pension Rights	31-Dec-25	31-Dec-25
	After recommendations	After recommendations
	US\$	ZWG
Active Members		
Other Members (calculated liability)	49 978 485	1 298 476 013
Other Members Revaluation Gains	35 632 531	925 758 098
Engineman (calculated liability)	3 388 427	88 033 701
Engineman Revaluation Gains	2 624 684	68 191 135
Pensioners		
Active Pensioners		
Principal Member (calculated liability)	124 496 683	3 234 510 963
Principal Member Unallocated Revaluation Gains	-	-
Spouse Member (calculated liability)	53 761 176	1 396 752 983
Spouse Unallocated Revaluation Gains	-	-
Child Member (calculated liability)	1 945 593	50 547 867
Child Unallocated Revaluation Gains	-	-
Suspended Pensioners		
Principal Member (calculated liability)	4 742 767	123 220 395
Principal Member Unallocated Revaluation Gains	-	-
Spouse Member (calculated liability)	5 997 146	155 810 043
Spouse Unallocated Revaluation Gains	-	-
Child Member (calculated liability)	715 849	18 598 265
Child Unallocated Revaluation Gains	-	-
Deferred Pensioners		
Deferred Member (calculated liability)	1 050 282	27 287 069
Deferred Pensioners Revaluation Gains	7 672 120	199 327 047
	-	-
Unclaimed Benefits	2 460	63 921
Unclaimed benefits Revaluation Gains	-	-
Exits Revaluation Gains Reserves	29 236 573	759 586 622
Past service liability	321 244 775	8 346 164 122
Assets	324 470 572	8 429 972 590
Total Value of assets	324 470 572	8 429 972 590
Past service excess of assets over liabilities	3 225 797	83 808 468
Funding Level	101%	101%

Table 19: Financial Position before recommendations

7.2. The Fund had a surplus of **US\$3 225 797 (ZWG 83 808 468)** as at 31 December 2025, with a funding level of **101%**.

Analysis of Surplus

7.3. The table below shows our analysis of surplus over the investigation period.

Analysis of Surplus	Amount (USD)	Amount (ZWG)
Surplus as at 31 December 2024	9 903 241	257 293 131
Improvement of benefits	8 906 773	231 404 192
Returns above valuation assumption	12 344 299	320 713 540
Release of the Exits Revaluation Gains Reserves	41 150 498	1 069 118 751
Interest on surplus	990 324	25 729 313
Salary increases higher than valuation assumption	-15 343 253	-398 628 453
Share of revaluation gains FY2025	-14 697 273	-381 845 452
Mortality profit	3 970 044	103 144 513
Cost of pension increases as per paragraph 7.8	-43 703 898	-1 135 457 864
<i>Other items</i>	-294 957	-7 663 202
Surplus as at 31 December 2025	3 225 797	83 808 468

Table 20: Analysis of surplus

7.4. The funding level has slightly declined due to a mismatch between the growth in liabilities driven by increases in salaries and pension payments and the relatively lower growth in assets over the same period. However, this was offset by the release of the Exits Revaluation Gains Reserves.

7.5. The table below shows the liability mix comparison as at 05 April 2024 to 31 December 2025.

Liability mix comparison	05 April 2024	30 June 2024	31 Dec 2024	31 Dec 2025
Active Members	25%	24%	25%	29%
Pensioners	47%	48%	50%	60%
Deferred Pensioners	3%	1%	3%	3%
Unclaimed Benefits	0%	0%	0%	0%
Exits Revaluation Gains Reserves	25%	27%	22%	9%
Total	100%	100%	100%	100%

Table 21: Liability mix

7.6. The comparison shows consistency in liability mix, which aligns with the release of the Exits Revaluation Gains Reserves to the respective members.

7.8. The table below summarizes the increases awarded during the review period.

Month	Description
Feb 2025	The Fund awarded an increase of up to USD20 for pensioners who were in the Fund payroll as at 31 Dec 2018. Pensioners who had total discrepancies of less than USD20 received full adjustments to close the gap to their Dec 2018 pension values.
April 2025	The Fund awarded an increase of up to USD9.50 to all Pensioners subject to the attainment of December 2018 pension values. Pensioners who retired after Dec 2018 received a flat USD9.50.
July 2025	The Fund awarded 5% increase to all Pensioners effective 1 July 2025 in accordance with Rule 78.
September 2025	The Fund awarded an increase of up to a minimum of USD65 to Pensioners earning above minimum and who were in the Fund payroll as at 31 Dec 2018.
Dec 2025	The Fund awarded an increase to pensioners earning above minimum and who were in the Fund payroll as at 31 Dec 2018 and had not yet reached their Dec 2018 pension amounts. All Pensioners who retired before 2018 received full adjustments to reach 2018 pension levels.

Table 22: Pension Increases

7.9. Therefore, at this valuation no pension increase is recommended, and we suggest future pension increases be based on investment returns earned as well from the release of the Exits Revaluation Gains Reserves subject to liquidity availability.

7.10. Overall, the Fund is financially sound as at 31 December 2025.

Sensitivity tests of valuation results

7.11. The accrued liability is a function of the valuation assumptions which may or may not be borne out in practice. Variations from these assumptions will therefore emerge in future years.

7.12. The table below shows the impact of an Investment Return of 9%:

Present Value of Past	31-Dec- 2025	31-Dec- 2025
<u>Service Pensions Rights</u>	US\$	ZWG
Past service liability	331 323 445	8 608 015 036
Total value of assets	324 470 572	8 429 972 590
Surplus	-6 852 873	-178 042 446
Funding level	97.9%	97.9%

Table 23: Financial Position at 9% Investment return

7.13. The results show that if lower interest rates of 9% is earned than the assumed 10%, then the surplus will decrease from **US\$3 225 797** to a deficit of **US\$6 852 873**.

7.14. The following show the impact of a salary increase of 10%:

Present Value of Past	31-Dec- 2025	31-Dec- 2025
<u>Service Pensions Rights</u>	US\$	ZWG
Past service liability	325 652 727	8 460 685 801
Total value of assets	324 470 572	8 429 972 590
Surplus	-1 182 155	-30 713 211
Funding level	99.6%	99.6%

Table 24: Financial Position at 10% Salary Increase

7.15. The results show that if a higher salary increments of 10% is awarded than the assumed 9%, then the surplus will decrease from **US\$3 225 797** to a deficit of **US\$1 182 155**.

7.16. The table below shows the impact of a pension increase of 6.00%.

Present Value of Past	31-Dec- 2025	31-Dec- 2025
<u>Service Pensions Rights</u>	US\$	ZWG
Past service liability	325 798 742	8 464 479 387
Total value of assets	324 470 572	8 429 972 590
Surplus	-1 328 170	-34 506 797
Funding level	99.6%	99.6%

Table 25: Financial Position at 6.00% Pension Increase

7.17. The results show that if higher pension increase of 6.00% is awarded than the assumed 5.00%, then surplus will decrease from **US\$3 225 797** to a deficit of **US\$1 328 170**.

7.18. Overall, the valuation results are very sensitive to financial assumptions as was illustrated above.

Other issues

7.19. Effective 14 February 2025, IPEC approved the following for the Fund;

- The early retirement age shall be fifty-five (55) for Enginemen and sixty (60) for all other Members.
- The normal retirement age shall be sixty (60) for Enginemen and sixty-five (65) for all other Members.

7.20. A Rule amendment was done to this effect.

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

7.21. We have assessed the impact of the Zimbabwe Mortality Tables on the National Railways of Zimbabwe Contributory Pension Fund Pensioners.

7.22. Our assessment shows that the Zimbabwe mortality is lower than the current basis.

7.23. Since the Zimbabwe mortality is lower than the current basis PA (90) this means that on the average our Pensioners are living longer than what is being assumed, hence, to continue paying the same pension this means we need to set aside more monies (reserves) to pay the pension for the now longer life.

Present Value of Past Service Pensions Rights	31-Dec-25		31-Dec-25	
	Current Basis PA (90)	Zim Mortality Tables	Current Basis PA (90)	Zim Mortality Tables
	Amount (US\$)		Amount (ZWG)	
Active Members	91 624 127	91 624 127	2 380 458 946	2 380 458 946
Pensioners	191 659 213	210 858 821	4 979 440 516	5 478 259 758
Deferred Pensioners	8 722 402	8 722 402	226 614 116	226 614 116
Unclaimed Benefits	2 460	2 460	63 921	63 921
Exits Revaluation Gains Reserves	29 236 573	29 236 573	759 586 622	759 586 622
Past service liability	321 244 775	340 444 382	8 346 164 122	8 844 983 363
Assets	324 470 572	324 470 572	8 429 972 590	8 429 972 590
	0	0		
Total Value of assets	324 470 572	324 470 572	8 429 972 590	8 429 972 590
Past service excess of assets over liabilities	3 225 797	-15 973 810	83 808 468	-415 010 773
Funding Level	101%	95%	101%	95%

Table 26: Financial Position after Implementation of Zim Mortality Tables

7.24. We therefore recommend that the Fund gradually move to the Zimbabwe Mortality Tables over the next five years.

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8. DISCONTINUANCE VALUATION

- 8.1. Section 37(4) of the Pension and Provident Funds Regulations 1991 requires the Actuary to carry out calculations to establish the solvency of the Fund in respect of accrued benefits assuming no further salary increases.
- 8.2. The results are summarised in the table below:

Present Value of Past	31-Dec- 2025	31-Dec- 2025
Service Pensions Rights	<u>US\$</u>	<u>ZWG</u>
Active Members		
<i>Other Members (calculated liability)</i>	64 223 367	1 668 568 037
<i>Engineman (calculated liability)</i>	4 457 749	115 815 440
Pensioners	191 659 213	4 979 440 516
Deferred Pensioners	8 722 402	226 614 116
Unclaimed Benefits	2 460	63 921
Exits Revaluation Gains Reserves	29 236 573	759 586 622
	0	
Past service liability	298 301 764	7 750 088 652
Assets	324 470 572	8 429 972 590
	0	
Total Value of assets	324 470 572	8 429 972 590
Past service excess of assets over liabilities	26 168 808	679 883 937
Funding Level	108.8%	108.8%

Table 27: Discontinuance

- 8.3. Our calculations on the prescribed basis show that the assets were not adequate to cover the accrued liabilities with a surplus of **US\$26 168 808 (ZWG 679 883 937)** on the valuation date with a funding level of **108.8%**.

9. VALUATION RESULTS – FUTURE SERVICE

Future service valuation results

9.1. The total cost of future service accrual shown below.

Future Service	Percentage
Required for balance of accrual	8.8%
Future Expenses	10.0%
Current Cost (GLA Cost)	3.6%
Contingency Margin	2.6%
Recommended Total Contribution Rate	25.0%
Employee contribution Rate	8.0%
Recommended Employer Contribution Rate	17.0%

Table 28: Future Service

9.2. However, the Fund is now paid-up with effect from 01 April 2024 and the Employer is currently contributing 3% and the Member is contributing 8%.

9.3. We also note that the Employer has resolved to maintain the Fund as a Defined Benefit (DB) Scheme, and discussions are currently ongoing regarding an increase in Employer contributions from 3.0% to 14.4% effective 1 January 2026.

10. RISK ASSESSEMENT

- 10.1. Board Members need to be aware of the risks the Fund is undertaking and take steps to control them. This section considers the risks which the Fund faces and appropriate ways to address these.
- 10.2. The Board Members must ensure, with the help of its auditors and actuaries, that all the necessary procedures and checking processes are in place to ensure that as much risk to the Fund as possible is mitigated.
- 10.3. This section can be used as one possible checklist for risk management.

Currency Risk

- 10.4. The Fund should be mindful of currency risk considering the introduction of new ZWG notes as well as the de-dollarisation by 2030, as it can impact investment returns, introduce additional costs and require strategic management to mitigate potential losses.
- 10.5. Hedging and diversification strategies are common tools used to manage these risks effectively.
- 10.6. These strategies enable the Fund to navigate currency risk effectively, ensuring that fluctuations in exchange rates do not unduly impact the value of their investments when converting to a new currency.
- 10.7. We are happy that the Fund has some foreign investments which mitigates against this risk.

Data Risk

- 10.8. The main risk here is that the data on which the Fund bases its valuation (and other exercises) is not an accurate reflection of the actual underlying data on which risks are being underwritten.
- 10.9. The Fund needs to ensure that it has sufficient controls to ensure data integrity and detail.

Expense risk

- 10.10. Expenses form a key part of the Fund's cash flows, with a significant impact on its ability to provide good returns to its Members. Higher expenses than those allowed for will compromise Member's benefits. The Fund needs to maintain strong control of its expenses.

Investment risk

- 10.11. Investment risk essentially relates to the underlying investments behaving in a different manner to that expected when the original investment was made.
- 10.12. Investment risk could relate to a number of factors such as:
- Investment income being lower than expected.
 - Investment returns being reinvested under terms worse than initial conditions.
 - Capital growth being lower than expected.
- 10.13. In addition to the above, a further element of investment risk relates to the need to realise investments at inopportune times (i.e. at times when markets are generally low).
- 10.14. Associated with the above point would be lack of liquidity of some types of investments which would increase the investment risk of these assets when markets are down.
- 10.15. The recommended investment portfolio is used to check the performance of the Fund's investments.
- 10.16. Over the review period the Fund's performance was consistent with the economic performance, hence we commend the Board Members for the good investment performance.

Inflation Risk

- 10.17. This is the risk of nominal returns falling below the rate of inflation, **hence a loss in the real value of assets**. This risk will be reduced by investing in assets that hedge against **inflation**, that is, real assets such as equities or properties.
- 10.18. Note that the local currency is not stable and inducing inflation in the economy, fixed assets like bonds and cash are losing value because the fixed returns which they are earning are being surpassed by the rate at which the local currency is depreciating against a stable hard currency like the US\$.

Legal Risks

10.19. Some of the risks that the Fund faces include:

- Legislative risks
- Litigation risks

10.20. The Fund must make sure it keeps in line with the country's legal frameworks and IPEC Regulations in order to mitigate some of these risks and strive to treat Members fairly.

Default Risk

10.21. The risk of default on assets is greater where there is a concentration of investments with an Investment Manager or in an Asset. The Fund will therefore strive to arrange proper protection of Assets by segregating Investment Managers (where possible). Further protection will be achieved by requiring the vehicles in which Assets are held to be financially sound and compliant with all relevant regulatory and solvency requirements as stipulated by the Commissioner.

Credit risk/Counterparty Risk

10.22. The risk of loss due to the inability or unwillingness of a counterparty to meet their obligations as and when they fall due. The Board Members believe this to be an important risk and will require disclosure of limits in terms of credit exposure applied by all the Fund's asset managers.

Paid up status risk

10.23. The Fund was made paid-up with effect from 01 April 2024.


10.24. Therefore, running an unfunded Defined Benefit plan is likely to lead the Fund into deficit thereby compromising the Members' accrued benefits.

10.25. We have been advised that the Employer has resolved to maintain the Fund as a Defined Benefit (DB) Scheme and is currently contributing at a rate of 3.0%.

11. CONCLUSION AND RECOMMENDATIONS

- 11.1. We have carried out an actuarial valuation of the National Railways of Zimbabwe Contributory Pension Fund as at 31 December 2025.
- 11.2. Our past services result show that the Fund is in a sound financial position with a surplus of **US\$3 225 797(ZWG 83 808 468)** at the valuation date, reflecting a funding level of **101%**.
- 11.3. We recommend that the Employer increase its current contribution rate of **3%** to **17%**, with this position to be reviewed at the next valuation.
- 11.4. Our other recommendations are summarised in **Appendix 2**.
- 11.5. We would like to thank the Fund for allowing us the opportunity to carry out a valuation of the **National Railways of Zimbabwe Contributory Pension Fund** for this crucial decision-making process.

For and on behalf of **Mureriwa Actuarial Outsourcing Services (MAOS)**



David T. Mureriwa
Fellow of the Actuarial Society of South Africa
Fellow of the Faculty of Actuaries (UK)
(In my capacity as the Fund Actuary)
1 April 2026

APPENDIX 1: RULES SUMMARY

Rule 65: Retirement at Normal Retirement Age

Upon retirement from the Pensionable Service at Normal Retirement Age and subject to completion of ten (10) years of Pensionable Service, a Member shall be eligible to receive an immediate annual Pension calculated as follows:

- a) $\frac{1}{648}$ th of the average Pensionable Salary for each complete month of Pensionable Service at the date of reaching Normal Retirement Age;
- b) In addition, the Member shall receive a non-commutable pension equal to 5% of the amount calculated in (a).

Rule 66: Retirement on Medical Grounds

subject to the production of medical evidence acceptable to the Board Members, showing that a Member is permanently medically incapable of performing his duties in the service of the Employer or any similar employment or any other gainful occupation for which he is reasonably suited by education, training or experience he may be permitted to retire prior to Normal Retirement Age.

- Upon such Retirement on medical grounds the Member shall be eligible to receive an immediate Pension as follows:
- For a Member who has completed ten (10) years of service, a Pension calculated using $\frac{1}{648}$ th of the Average Pensionable Salary for each complete month of Pensionable Service;
- In addition, the Member shall receive a non-commutable pension equal to 5% of the amount calculated in Rule 65(a).
- For a Member who has completed less than ten (10) years of service, a gratuity equal to $\frac{1}{144}$ th of Average Pensionable Salary for each complete month of Pensionable Service.

Rule 67: Early Retirement

A Member with not less than ten (10) years Pensionable Service and who has attained the age of 54 years 9 months, shall upon giving three calendar months' notice in writing to the Employer have the right to retire from service and to obtain an immediate pension calculated using 1/648th of the average salary for each complete month of Pensionable Service at the date of Early Retirement Age, reduced using the following factors on an interpolation basis:

Years To Normal Retirement Age	Factor
One year or less	3.8%
More than one but less than two	8.2%
More than two but less than three	12.2%
More than three but less than four	15.8%
More than four but less than five	19%

Table 29: Early Retirement

A Member aged 58 years 11 months or over will be required to give only one calendar months' notice in writing to the Employer.

Rule 68: Retrenchment and Reorganization

If a Member who has completed ten (10) years of Pensionable Service is retired from Pensionable Service by the Employer before Normal Retirement Age owing to;

- his post becoming superfluous to the Employer's requirements;
- his post being abolished;
- a general scheme for the reduction or reorganization of departments;
- a change in staffing policy by the Government or the National Railways of Zimbabwe;
- a desire by the Employer to increase efficiency of the business of the Employer;
- Termination on notice,

the Member shall be entitled to an immediate pension equal to 1/648th of the Member's average retiring Pensionable Salary for each complete month of Pensionable Service increased by one-third, subject to the total Pension not exceeding the Pension the Member would have received had he continued to Normal Retirement Age and his Pensionable Salary had remained the same.

This Pension shall be paid by the Employer until the Member attains Normal Retirement Age following which the Pension shall be paid by the Fund.

If a Member who has not completed ten (10) years of Pensionable Service is retired from Pensionable Service by the Employer before Normal Retirement Age owing to (i) to (v) above,

he shall be entitled to a gratuity equal to 1/144th of Average Pensionable Salary for each complete month of Pensionable Service.

Rule 70: Commutation

Subject to the limits prescribed in the Regulations, on retiring from Pensionable Service in terms of the foregoing Rules 65, 66, 67 or 68 of these Rules, a Member shall upon giving notice in writing, on the prescribed form, to the Board Members, have the right to be paid part of his Pension as a lump sum calculated in accordance with commutation factors as advised by the Actuary from time to time.

In case of a Member retiring in terms of Rule 68, the lump sum shall be paid partly by the Employer and partly by the Fund and the split of the commutation shall be determined by the Actuary.

The payment of the Employer portion of the lump sum shall be the sole responsibility of the Employer and not the Fund.

A Deferred Pensioner shall only be eligible to commute part of his Pension upon attainment of Normal Retirement Age, only.

Rule 71: Full Commutation of Small Pensions

In their absolute discretion and after consultation with the Employer, the Board Members may, where the Pension payable to an Employee on retirement would be less than the amount which the Commissioner may determine from time to time, pay to such Member in lieu of all other benefits a lump sum payment of an amount as determined by the Actuary, provided that such payment does not result in the Fund failing to meet its financial obligations due to liquidity problems.

APPENDIX 2: RECOMMENDATIONS SUMMARY

Recommendations	Why	By whom	When
No pension increase is recommended	The Pensioners' share of revaluations gains has been distributed; any further pension increases may be made from the release of the Exits Revaluation Gains Reserve, as recommended in paragraph 1.22.	Board Members	31 December 2025
Allocate this Exits Revaluation Gains Reserves to deserving Members. Accordingly identify all exits between 1 January 2019 to 31 December 2025 and ensure these are paid their exits top ups. Also ensure future exits are paid their Revaluation Gains.	So that we do not prejudice anyone.	Administrators	31 December 2025
Fund gradually move to the Zimbabwe Mortality Tables over the next five years.	To use mortality experience emerging in Zimbabwe.	Board Members	31 December 2025 to 31 December 2029
Investment Strategy of the Fund be continuously monitored.	To ensure an optimal performance of the Fund	Board Members and Administrators	Continuous
Note and monitor the risks identified in Section 10.	Sound prudential management of the Fund	Board Members and Administrators	Continuous

Table 30: Recommendation summary

APPENDIX 3: DATA CHECKS

- A3.1 The data checks that were performed as at the valuation date are reflected below.
- A3.2 For each Member in the data received we checked for missing dates of birth, consistency of dates of birth, dates of joining, reference numbers and salary against the previous reported salaries.
- A3.3 The data was generally consistent from last valuation. We are happy that data was reasonably clean.
- A3.4 The following Membership statistics were calculated and checked for reasonability:
- Salary-weighted average age,
 - Average age,
- A3.5 These statistics checked are generally in line with those reported in the previous valuation.
- A3.6 It should be noted that the accuracy of our checks is limited to the accuracy of the data we were supplied with and the ultimate responsibility of the accuracy of the financial statements.
- A3.7 The change in Membership is as outlined below.

Actives

All Other Members	
Opening 01 Jan 2025	2 876
New Entrants	401
Transfer from Engineman	26
Exits	-135
Transfer to Engineman	-21
Miscellaneous	-
Closing 31 Dec 2025	3 147

Table 31: Active Members Reconciliation

Engineman	
Opening 01 Jan 2025	201
New Entrants	1
Transfer from All Other Members	21
Exits	-26
Transfer to All Other Members	-26
Miscellaneous	-
Closing 31 Dec 2025	171

Table 32: Active Members Reconciliation

Pensioner

Active Pensioners	
Opening 01 Jan 2025	8 872
New Entrants	386
Transfer from suspended	310
Closed cases	-165
Transfer to Suspended	-270
Miscellaneous	-
Closing 31 Dec 2025	9 133

Table 33: Pensioners Reconciliation

Suspended Pensioners	
Opening 01 Jan 2025	2 025
Transfer from Actives	270
Transfer to Actives	-310
Closed cases	-83
Miscellaneous	-
Closing 31 Dec 2025	1 902

Table 34: Pensioners Reconciliation

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