

6. Communication Plan implementation as at 31-Dec-2012

Activity	Comments
Benefit Statements	Benefit statements for 2011 were issued during the year however in the latter part of the year due to some technical delays which were eventually resolved.
Other Publications	The Fund issued a calendar for pensioners during the year. Our pensioners have come to rely on the calendar for reference to their monthly salary dates. Pensioners received monthly payslips for their salaries.
In-house member education workshop	The Fund toured the participating employers twice last year conducting presentations on various topics affecting pension savings. All employers each receive presentations during the first and third quarters of each year.
Education Fairs	The Fund conducted education fairs for the three constituencies; Gaborone, Jwaneng and Orapa which were successful. The fairs, which allow for face to face and one-on-one interaction between members and Fund employees, were hosted at the Debswana Corporate Centre, Orapa stadium in conjunction with Orapa Family Fun day, and at the Jwaneng Debswana Club.
Village Meetings with Pensioners	The Fund visited each of the 17 pensioner branches in the country twice in 2012. Although these meetings are independently organised by the Fund, the Badiri Ba Meepo Pensioners Association, which the DPF helped establish in 2010, provides support in terms of coordination and attendance at these meetings. We work closely with branch chairpersons to ensure that our communication reaches our pensioners and deferred members. Each branch is visited during the second and fourth quarter of each year.
Courtesy visits to Tribal administrations	During the fourth quarter of our pensioners tours in 2012 as well as during death benefits investigations throughout the year, we paid courtesy calls to tribal administrations in acknowledgement of their role as facilitators for various affidavits required by the Funds, as hosts in some of the pensioner and family meetings that we held, and as arbitrators during difficult death benefits investigation cases. This is a deliberate public relations exercise through which we aim to maintain cordial relations with our business partners.
SMS Communication	Members were kept informed of developments at the Fund through the use of SMS. Educational messages were also sent on a monthly basis. Pensioners were the most regularly liaised with regard to progress on their monthly pensions salaries, especially in those occasional incidents where delays anticipated either due to operational challenges or bank processing delays.
Website	The DPF Website was fully launched to members in 2012.

7. Board Attendances at 31-Dec-2012

Board of Trustees	Board & Special Board Meetings	Benefits Review Committee	Investment Committee	Audit and Finance Committee	Human Resources Committee
Meetings Training Sessions held	4: Scheduled 7: Held	4: Scheduled 6: Held	4: Scheduled 7: Held	3: Scheduled 2: Held	2: Scheduled 3: Held
Tabake Kobedi (Resigned: April 2012)	1				
Richard Vaka (Appointed: July 2012)	4				
Emmanuel Kgaboetsile	5	5			3
Nchidzi Mmolawa (Resigned April 2012)	2	-	1		
Victor Maxwell (Appointed: Sept 2012)	3		2	1	
Richard Moroka	5		3		2
Kaywa Namoshe (Resigned: June 2012)	2	1			-
Tshepo Kgalaeng (Appointed: July 2012)	3			2	1
Gakologelwang Gakenaope	6	5	5		
Alternates					
Maipelo Motshwane (Resigned: April 2012)	1	4			
Eunice Mpoloka	3	2		2	
Petrous Montshioa	5		5		2
Vuyisile Garekwe	2	2		2	
Otsenye Tsietso (Resigned: June 2012)	1		-		
Onneile Mmoloki	3	2			
George Rantshilwane	5	1			1
Naseem Lahri (Resigned: February 2013)			1	-	
Independent Trustees					
Wanjiru Kirima			7		
Neo Mokgwathi (Appointed: Feb 2012)				2	
Committee Members					
Lesego Makubate			5	2	
Stephen Seitshiro		3			
Tom Mongale					3
Christopher Mokgwane (Appointed: Sept 2012)			1		

ABRIDGED ANNUAL REPORT 2012

This is an abridged version of the 2012 Debswana Pension Fund Annual Report. To access the full version visit www.dpf.co.bw or email a request to bokamoso@dpf.co.bw



Chairman's Message

On behalf of the DPF Board of Trustees, I present to you members the 2012 Annual Report of the Debswana Pension Fund.

This message complements the detailed information that you will find in the rest of the report in terms of Fund performance, strategic objectives and future aspirations of the DPF. We endeavor to send out our annual report to members and beneficiaries each year at least by the end of the second quarter when our year end program is complete i.e. audits, valuations etc. This is also done in order to comply with the statutory requirements for communication to members. Detailed information about the Fund can be sourced further on the Pension Fund's website at www.dpf.co.bw

2012 has been quite a busy year in all DPF activities. The Pension Fund's operations have continued to improve significantly following the interventions made in 2011 to eliminate the operational challenges that were alluded to in the 2011 report. I am pleased to confirm that your board of trustees is satisfied with the progress made and very optimistic about future prospects of the Fund. You will also recall that following from that experience, your Trustees commissioned a Strategy review of the Fund at the end of 2012 in order to determine the right way forward for the DPF. This review will be implemented and the findings reported back to you in the 2013 year.

On the membership front, we are happy to see a recovery in the membership trends having experienced sluggish membership growth between 2009 and 2011. In 2012 the Fund bounced back with a good 22% spike, which signals that the employer environments have also stabilized. With the total number of members now at 11000, the DPF still remain a leader amongst the private sector pension funds. Our investments have also performed well returning favorably beyond benchmarks and targets as reported in detail in other sections of this report.

Our purpose before anything else it to be there for the members and live up to our values of being customer focused, trustworthy with impeccable integrity, an innovative and agile team that is self-driven and motivated. On reflecting on whether we have lived these values in 2012, I wish to commend the Pension Fund management and staff for having tirelessly worked to bring the Fund processes to stability, including being able to improve the average response times for benefit processing during the year, monitoring and ensuring regulatory compliance and communicating regularly with members and beneficiaries on developments in the Fund. Their efforts did not go unnoticed as shown by yet another successful year at the regional Best Practice Awards for the pensions industry that were given by the Southern African Institute of Retirement Funds in the same year. The Fund was honored for best practices in Legal and Technical Compliance as well as Best Communication Campaign/Project.

Despite a successful 2012, the Fund, like any other Fund operating in the local and global economic space, is not without challenges, and your Trustees continues to work diligently to achieve a robust governance framework and control environment that will put the Fund in the much needed defensive position to successfully tackle these challenges as and when they arise.

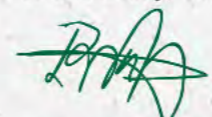


As a step toward that objective some of the important projects that are currently on our agenda for 2013 going forward are:

- *Downscaling fund costs through the implementation of further operational efficiencies in order to achieve an optimal cost-contribution ratio that is commensurate with industry best practice, and one which can afford members the necessary growth margins on their pension savings.*
- *Reviewing our organizational structure and skills base to ensure that the Fund is ideally resourced.*
- *Evaluating growth opportunities that will further enhance service delivery to members and overall Fund prosperity*
- *Reviewing the Board Structure with the aim to enhance trustee skills where gaps may be identified and further empower your Trustees to effectively carry out their mandate.*

In that regard, I look forward to another successful year in 2013 during which we will hopefully achieve many more milestones that will see this Fund exceed your expectations. I would like to take this opportunity to thank each and every one of you, as partners of the Pension Fund, for your continued support and active involvement in efforts to achieve our goals.

It has been a pleasure serving you in 2012. Let's continue to work together to fulfill our brand promise to build *Your Fund, Your Security, Your Future.*



Richard Vaka
Board Chairman

Highlights

1. Investment Performance

a. Overview

The Fund grew from P 3,405 billion in December 2011 to P 3,902 in December 2012. The performance of the fund was driven primarily by global equities which returned 20.4% followed by local equities which gave a return of 13.1%. Local Fixed Income and Global Fixed Income securities delivered an identical return of 7.8%, with money market instruments returning 4.4% over 2012. The Botswana Pula depreciated by 3.3% against the US Dollar in 2012, further contributing to the performance of offshore investments. At the end of 2012 The Fund had 55.04% of its assets invested offshore with 44.96% invested in Botswana. During the year the Fund remained relatively aligned with its Strategic Asset Allocation.

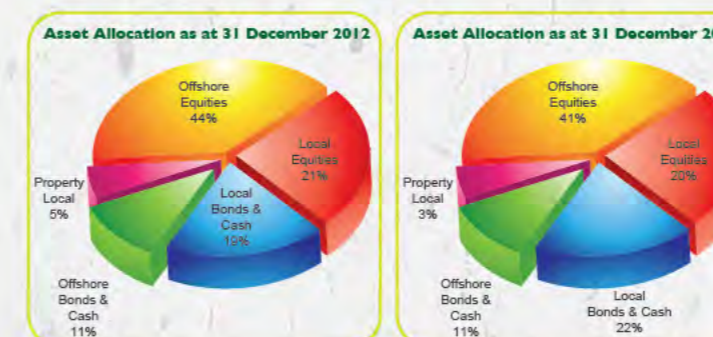
b. Investment Portfolios performance at 31-Dec-2012



2. Membership at 31-Dec-2012



3. Asset Allocation at 31-Dec-2012



4. Revenue Account at 31-Dec-2012

Fund as at 31 December 2011	3,393,051,000	Administration and other expenses	24,334,000
Contributions received	168,475,000	Investment fees	27,253,000
Fund Transfers In from other Funds	2,396,000	Withdrawal and Death benefits paid	21,008,000
Income from Investments	99,640,000	Retirement Benefits paid	48,040,000
Adjustment to Fair Value of Assets	450,490,000	Pensioner Death Benefits paid	2,546,000
Reversal of Prior Year non-eligible member expense	33,000	Pensions Paid	77,149,000
Adjustments - Over accrual of withdrawal, death and retirement expense	1,217,000	Transfers out to other Funds	4,728,000
		Adjustments - under accrual of withdrawal, death and retirement expenses	1,310,000
		Fund as at 31 December 2012	3,909,027,000
Total	4,115,302,000	Total	4,115,302,000

5. Statement of Financial Position at 31-Dec-2012

DEBSWANA PENSION FUND STATEMENT OF FINANCIAL POSITION 31 December 2012

	Notes	2012 P	2011 P
ASSETS			
Investments			
Investment in properties	5	201,346,117	117,166,816
Other financial assets	6	3,326,903,308	2,952,593,993
Cash and cash equivalents	7	382,015,150	424,170,412
Total investments		3,910,264,575	3,493,931,221
Other assets			
Plant and equipment	8	4,022,926	2,926,543
Intangible asset	9	1,342,261	3,095,100
Contributions and other receivables	10	37,095,879	25,459,383
Total other assets		42,461,066	31,481,026
Total assets		3,952,725,641	3,525,412,247
FUNDS, RESERVES AND LIABILITIES			
Funds and reserves			
Fund account		2,508,805,253	2,184,450,695
Pensioners' account		1,281,994,473	1,106,068,735
Contingency reserve		118,227,308	102,531,435
Total funds and reserves		3,909,027,034	3,393,050,865
Other liabilities			
Benefits payable	11	36,745,887	126,589,047
Other payables	12	6,952,720	5,772,335
Total other liabilities		43,698,607	132,361,382
Total funds, reserves and liabilities		3,952,725,641	3,525,412,247

6. Communication Plan implementation as at 31-Dec-2012

Activity	Comments
External Newsletter (BOKAMOSO)	3 external newsletters were produced and distributed to all members during the year. Active members receive the newsletter electronically via email. The DPF has approximately 95% access to active members through an intranet that is shared between the Fund and its participating employers. Deferred and pensioner members receive the newsletter by surface mail.
Annual Report	An annual report for year 2011 was issued to members. Due to the bulky nature of this report, the Fund strives to keep costs to a minimum by printing and issuing an abridged version whilst the full version was made available to members through the Fund website.