

The Registrar of Pension Funds
The Financial Services Conduct Authority
Pebble Walk Office Park
41 Matroosberg Road
Ashlea Gardens



Under Curatorship
The Willows Office Park
MCPF, Block 1 Unit 1&2
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Erand Gardens,
Midrand
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Email: info@mcpf.co.za
Website: www.mcpf.co.za

31st May 2019

Attention: Cornelia Buitendag

BY HAND

BY EMAIL

Dear Madam

NINTH (9TH) REPORT TO THE REGISTRAR OF PENSION FUNDS: MUNICIPAL COUNCILLORS PENSION FUND (UNDER CURATORSHIP) ("the Fund")

This is a follow up report to the Curator's report filed with the Registrar on the 01st April 2019 as directed by the Court Order. The report details the Curator's actions and the progress made in this curatorship from the 01st February 2019 to date.

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1. CONTROL, MANAGING AND INVESTIGATING THE OPERATIONS AND BUSINESS OF THE FUND

1.1 Membership as at February 2019

Description	No of members as at January 2019	No of members as at February 2019
Total members at start of period	5707	5693
New member (Plus)	13	11
Transferred in members (Plus)	0	3
Transferred out members (Less)	4	1
Exited members (Less)	23	20
Total active as at the end of period	5693	5686

1.2. Contribution Breakdown at Municipal level

Description	No of Municipalities Jan 18	No of Municipalities Feb 19
Paid and updated Municipalities	185	191
Paid not updated (Outstanding schedules)	2	0
Paid not updated (Underpayment)	0	0
Municipalities in arrears (not contributed for 3 months or less)	11	6
Municipalities in arrears more than 3 months (Municipalities which decided to stop contributing)	34 (2)	35 (2)
Total	234	234

The Curators are continuing to pursue the Municipalities with respect to their lists to allocate payments as per its previous report.



2. TRUST UPDATE

We are continuing in our bid to obtain other tracing systems and/ or models that will assist in providing us with a suitable solution in identifying the balance of the “untraceable” trust beneficiaries. Our further report will follow in due course.

3. PROPERTY OWNING COMPANY

3.1. ARREAR RENTAL - WILLOWS OFFICE PARK

The Fund has appointed two law firms to collect rental from the tenants who are in arrears at Willows Office Park, Midrand, Johannesburg. The collection of arrear rental against the defaulting companies are in progress and we have been able to yield results from some of the defaulting tenants. We are still pursuing the other defaulting tenants and their directors to make payment of the arrear rentals. Our further report will follow in due course.

It should also be noted that we are also on a drive through our Property Manager to attract new tenants to the office park.

3.2. ISAGO

The Registrar has already been advised that there is pending litigation between the Fund and ISAGO. This matter was set-down on the semi-urgent roll in the Western Cape High Court on the 09th May 2019. On the said date the matter was postponed allowing parties an opportunity to settle the matter amicably between them. We anticipate that this matter will be finalised soon.



4. INVESTIGATIONS

Investigations by the external authorities are ongoing and we are awaiting their detailed feedback. The Curators are continuing to follow up with the respective personnel.

The investigation by the Legal Practitioner's Council into the actions of MSMM attorneys are still on going and we are currently awaiting further information.

We met with the representatives of the HAWKS on the 29th May 2019 and enquired about their investigation. We were advised that the matter is still being investigated and that we should receive a further update report in the month of June 2019. Our further report will follow in due course.

5. INVESTMENTS

The Curators together with the Asset Managers are monitoring the activity of the investments and its growth potential and implementing the Fund's investment strategy in the tough economic environment.

6. LEGAL PROCEEDINGS

The Fund has decided to proceed with the arbitration between the Fund and Akani. We were provided with an initial opinion by the Fund's Attorneys, however they have requested further information to provide us with a complete opinion. We are currently compiling the requested information and will report on the outcome in due course.

7. ANNUAL FINANCIAL STATEMENTS

In our previous report we reported that we anticipated that our audit preparation will be concluded by May 2019. We have completed with our audit preparation and have appointed PKF as our new auditors. We are happy to report that the annual financial statements as at 30 June 2018 are currently under audit, the auditors have indicated that the audit should be concluded by the end of June 2019.

8. BENEFIT STATEMENTS

As per our previous report, the benefit statements were issued on the 28 February 2019.

To date, we have not received any queries with respect to the content of the benefit statements.

9. COMPLAINTS

Our complaints register reflects the following:

**MCPF Escalated Cases (PFA Queries/ Complaints)
for the period ending February 2019 Summary**

Description		No of complaints	Success Rate %
TOTAL COMPLAINTS RECEIVED		54	
TOTAL COMPLAINTS RESPONDED TO		54	100.00%
IN PROGRESS BY THE FUND		0	0.00%
DETERMINATIONS RECEIVED	FUND'S FAVOUR	25	78.13%
	COMPLAINANTS' FAVOUR	7	21.88%

AWAITING PFA DECISION/DETERMINATION		22	40.74%
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10. GOVERNANCE

The Curators are pleased to report as follows:

- 10.1. A majority of the Fund's Internal Policies have been put into place and are being monitored with respect to their implementation;
- 10.2. The Curators are continuing to hold monthly management meetings with the various departmental managers ensuring that frequent reporting and review are aligned with the Fund's short term and long term objectives;
- 10.3. The internal committees have been put into place to ensure that governance targets and compliance thereof are being constantly monitored and acted upon.
- 10.4. The Fund's Internal Audit personnel have been resourced to provide regular reports to the Fund's Audit and Risk Committee on the effectiveness of the Fund's internal controls. This is an ongoing process which assists the Curators in assessing risk within the fund.
- 10.5. We have met with the Fund's Insurance Brokers and we are continuing to negotiate the Public Indemnity cover renewal.



10.6. Default Regulations

The Fund applied to the FSCA for exemption as per Section 37(3) of the Pension Funds Act so that the Fund could comply with the new default regulations. The Fund was then requested by the FSCA to apply for an extension for the default regulations which it duly complied with.

10.7. Statutory evaluation

The Statutory Valuation report as at June 2018 is due for submission on 30 June 2019. Noting that the Annual Financial Statements are still under audit, we have requested an extension to submit by the 31st December 2019. The extension has been granted.

11. CONCLUSION

As Curators, we are continuing to strive toward setting and maintaining a greater standard of corporate governance and ethical values at the MCPF ensuring that the objectives of the Fund's vision are achieved.

We continue to receive full support and commitment from the Senior Managers and staff in general.

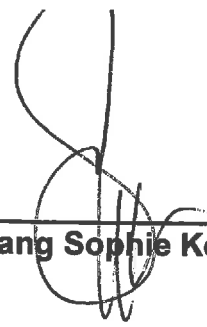


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