

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
276 George Road
Erand Gardens,
Midrand
Tel: 086 111 2014
Fax: 086 662 5579
Email: info@mcpf.co.za
Website: www.mcpf.co.za

31 JANUARY 2019

Attention: Corlia Buitendag

BY HAND

BY EMAIL

Dear Madam

SEVENTH (7TH) REPORT TO THE REGISTRAR OF PENSION FUNDS: MUNICIPAL COUNCILLORS PENSION FUND (UNDER CURATORSHIP) ("the Fund")

This is a follow up report the Curator's report filed with the Registrar on the 30th of November 2018 as directed by the Court Order. The report details the Curator's actions from the 1st of December 2018 to the 31st of January 2019.

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

1.1 Membership as at December 2018

Description	November	December
Total active members at start of period	5757	5744
Total active new members joined for the period	5	6
Total exits for the period	18	1
Total active members at end of the period	5744	5749

1.2. Contribution Breakdown

Description	No of Municipalities Nov	No of Municipalities Dec
Contributing and updated Municipalities	198	187
Municipalities in arrears (not contributed for 3 months or less)	0	11
Municipalities in arrears more than 6 months (Municipalities which decided to stop contributing)	34 (2)	34 (2)
Total municipalities	234	234

There are Municipalities that have made lump sum without providing the Fund with the schedules for purposes of allocating payments to respective members. We are working very hard to communicate with those Municipalities to send the schedules with payments to enable the Fund to allocate the payments to the members accounts accordingly.

2. TRUST UPDATE

The Fund has sourced a tracing system called 'My Trace' from Dracore Tracing System to assist in tracing the trust beneficiaries. The Fund is in the process of

making contact with the beneficiaries that have been traced in order for them to complete the termination forms.

3. PROPERTY OWNING COMPANY

3.1. ARREAR RENTAL- WILLOWS OFFICE PARK

The Fund has appointed two law firms to collect the rental from the tenants in arrears at Willows Office Park, Midrand, Johannesburg. The collection process has commenced and to date has yielded positive results.

3.2. ISAGO

As reported previously, the Fund renegotiated the settlement agreement with ISAGO in terms of which ISAGO was to make an initial payment of R30 000 000 on the 30th November 2018. The settlement stated that the remaining payment plus interest was payable on the 30th March 2019. On the 30th November 2018, ISAGO failed to make the payment as per the settlement agreement.

In view of the above the Fund prepared to proceed with a liquidation application against ISAGO which was scheduled for the 08th December 2018. However on the 28th of November 2018 the Fund's attorneys received Intervening Application from the ANC Military Veterans League. The intervention application filed by the ANC Military Veterans League prompted a postponement of the matter. The said intervention application is attached hereto for your attention and records. We were only able to secure a date on the semi-urgent roll. The matter will thus be heard on the 09th May 2019.

Furthermore, on the 29th of November 2018 summons was served on the Fund as well as the co-curators in which ISAGO brought an action to invoke the extension of the payment dates. The Funds' attorneys have since defended the matter.

Our further report will follow in due course with respect to the outcome of the aforementioned.

4. INVESTIGATIONS

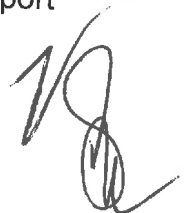
Progress is as per our last report to the FSCA. The Registrar will note that most offices were closed for the December holidays and thus there was little progress in this regard.

5. INVESTMENTS

The Fund has been diligently engaging with its Investment Advisors on the implementation of its Investment Policy and Strategy. The Curators are pleased to report that from the period of November 2018 to December 2018 we have seen growth from 0, 37% to 1, 09% respectively.

6. LEGAL PROCEEDINGS

The Fund has decided to proceed with the arbitration between the Fund and Akani. In view thereof, the Fund has appointed and mandated new attorneys i.e. Moeti Kanyane Attorneys to represent it in the arbitration proceedings. Our further report will follow in due course.



7. ANNUAL FINANCIAL STATEMENTS

The process of getting ready for audit has commenced.

8. BENEFIT STATEMENTS

We previously advised the Registrar that the Benefits Statements will be issued as at the end of January 2019. However due to the December holidays the process could not be finalised. The Fund will therefore issue the Benefit Statements to members for the period ended June 2018 by 28 February 2019.


9. COMPLAINTS

The Fund has received 34 complaints as at December 2018, all the complaints have been addressed.

Description		No of complaints	Success Rate %
Total complaints received		34	
Total complaints responded to		34	100.00%
Complaints in progress by the fund		0	0.00%
Determination received	Fund favour	18	52.94%
	Complainants Favour	4	11.76%
Awaiting PFA decision/determination		12	35.29%

10. GOVERNANCE

The Curators are pleased to report as follows:



- 10.1. The Fund's company policies and processes are in place and will be workshopped with all the employees.
- 10.2. There are now clear reporting structures and processes.
- 10.3. Together with the senior managers, we are attending to finalise the Fund's Annual Performance Plan which we will utilise to measure the Fund's performance against its set goals
- 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.
- 10.5. The Fund's PI cover renewal is underway.

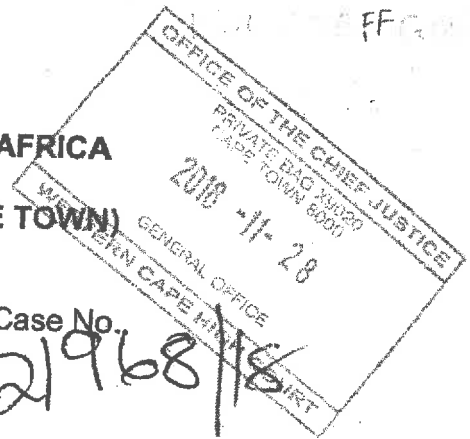
11. CONCLUSION

The MCPF is the custodian of the financial interests of thousands of Municipal Councillors. As Curators, we are committed to the highest standards of corporate governance, ethical values and sustainable business practices. We continue to receive support and commitment from senior managers and staff.


Mr. Juanito Martins Damons
Curator
MCPF
juanito@damonsinc.co.za


Ms. Thabang Sophie Kekana
Curator
MCPF
peppy@khrinc.co.za

IN THE HIGH COURT OF SOUTH AFRICA
(WESTERN CAPE DIVISION, CAPE TOWN)



Case No.
21968/16

In the *ex parte* application of:

**SOUTH AFRICAN NATIONAL MILITARY VETERANS'
ASSOCIATION TRUST**

Applicant /
Intervening party

In re:

JUANITO MARTIN DAMONS N.O.

First Applicant

SOPHIE TABANG KEKANA N.O.

Second Applicant

(in their capacity as the Court appointed curators of the
Municipal Councillors Pension Fund)

and

ISAGO AT N12 DEVELOPMENT PROPRIETARY LIMITED

(Registration number: 2006029695/07)

Respondent

APPLICATION FOR LEAVE TO INTERVENE

TAKE NOTICE THAT the **SOUTH AFRICAN NATIONAL MILITARY VETERANS'
ASSOCIATION TRUST** (hereinafter called the applicant) intends to make application
to this Court for an order:

Johan Rhodie Attorneys
c/o Van der Spuy & Partners
021 424 1917

- (a) Granting the Applicant leave to intervene and be joined as the second respondent under case number 10175/18;
- (b) In the event that this application is opposed, the opposing party/parties be held jointly and severally liable for the costs hereof; and
- (c) Further and/or alternative relief.

and that the accompanying affidavit of **DUDU ANGELICA PHAMA** will be used in support thereof.

TAKE NOTICE FURTHER THAT the applicant has appointed **VAN DER SPUY & PARTNERS** of Suite 603, Constitution House, 124 Adderley Street, **CAPE TOWN** at which it will accept notice and service of all process in these proceedings.

TAKE NOTICE FURTHER THAT if you intend opposing this application you are required:

- (a) to notify applicant's attorney in writing within 10 (ten) days of the application being served on you; and
- (b) within 15 (fifteen) days after you have so given notice of your intention to oppose the application, to file your answering affidavits, if any; and further that you are required to appoint in such notification an address referred to in rule 6(5)(b) at which you will accept notice and service of all documents in these proceedings.

If no such notice of intention to oppose be given, the application will be made on the **12 DECEMBER 2018** at 10h00.

KINDLY ENROL THE MATTER ACCORDINGLY.

SIGNED at CAPE TOWN on 28 NOVEMBER 2018.



JOHAN RHOODIE ATTORNEYS

Applicant's attorneys

794 Plaston Street

Faerie Glen

Pretoria

Gauteng

Tel: 081 4444 010

Email: rhodielaw@gmail.com

Ref: JER18C11

c/o **VAN DER SPUY & PARTNERS**

Suite 603, Constitution House

124 Adderley Street

CAPE TOWN

Ref: Ms N du Preez

Tel: (021) 424 1917

Fax: (021) 424 1509

e-mail: natasha@vdsl.co.za

**TO: THE REGISTRAR
WESTERN CAPE DIVISION
CAPE TOWN**

**AND TO: RWL INC.
Attorneys for APPLICANT
C/O JEFF GOWAR INC.
3rd Floor
The Piazza on Church Square**

39 Adderley Street
CAPE TOWN
Tel: (021) 461 9771
Fax: (021) 461 9466
Email: jeff@gowar.co.za

Received a copy hereof on this the
_____ day of **NOVEMBER 2018**
For applicant's attorneys

**TO: THE REGISTRAR OF THE
ABOVE HONOURABLE COURT
CAPE TOWN**

Received By: *[Signature]*
13 DEC 2018
For JEFF GOWAR INCORPORATED
3rd FLOOR, THE PINZA ON CHURCH SQUARE
39 ADDERLEY STREET
CAPE TOWN, 8001

**AND TO: THE MASTER OF THE HIGH COURT
CAPE TOWN**

**AND TO: THE SOUTH AFRICAN REVENUE SERVICES
CAPE TOWN**

**IN THE HIGH COURT OF SOUTH AFRICA
WESTERN CAPE DIVISION, CAPE TOWN**

Case No.:

In the ex parte application of:

**SOUTH AFRICAN NATIONAL MILITARY VETERANS'
ASSOCIATION TRUST**

Applicant /
Intervening party

In re:

JUANITO MARTIN DAMONS N.O.

First Applicant

SOPHIE TABANG KEKANA N.O.

Second Applicant

(in their capacity as the Court appointed curators of the
Municipal Councillors Pension Fund)

and

ISAGO AT N12 DEVELOPMENT PROPRIETARY LIMITED

(Registration number: 2006029695/07)

Respondent

AFFIDAVIT

I, the undersigned,

DUDU ANGELICA PHAMA

DA SML

do hereby make oath and state that:

1. I am an adult business woman residing at 4944 Garden Road, Orchards, Pretoria, Gauteng and am the trustee of the South African National Military Veterans' Association Trust, the Applicant herein.
2. I am duly authorised to depose to this affidavit on behalf of the Trust in terms of a resolution adopted by the Trust, of which a true copy is annexed hereto, marked annexure "DP1".
3. The facts contained herein fall within my personal knowledge, unless otherwise stated, and are to the best of my knowledge and belief, both true and correct.
4. Where legal submissions are made, I do so on the advice of the Trust's attorneys of record, which advice I verily believe to be correct.

THE APPLICANT

5. The Applicant is the South African National Military Veterans' Association Trust, an *inter vivos* trust with Master's reference number IT Number: 615/2011 (the "Trust"), A copy of the letters of authority is attached hereto marked as annexure "DP2".

BACKGROUND

6. There is currently an application for the liquidation of Isago at N12 Development Proprietary Limited ("Isago") pending before this Honourable Court under Case No. 10175/2018, which application has been initiated by the Court appointed curators for the Municipal Councillors Pension Fund ("the Liquidation Application").

SML
NA

7. This is an application by the Trust for leave to intervene and to be joined as a party to the Liquidation Application. The Trust does so as it has a direct and substantial interest in the subject matter of the Liquidation Application which is more than merely a financial interest and the Trust's interests and the interests of those whom the Trust represents will be adversely affected by an order for the liquidation of Isago.
8. The pending application for liquidation of the respondent herein was only brought to my attention on Friday 23 November 2018 and I immediately instructed my attorney to cause an application to allow the Trust to intervene as the second respondent.

MISSION AND OBJECT OF THE TRUST

9. The Trust was founded to represent the interests of *inter alia* the Azanian People's Liberation Army Military Veterans' Association (APLAMVA), Azanian National Liberation Army (AZANLAMVA), the Council of Military Veterans' Organisationa (CMVO) and the uMkhonto We Sizwe Military Veterans Association (MKMVA), Transkei Defence Force Military Veterans' Association, Bophuthatswana Defence Force Military Veterans' Association, Ciskei Defence Force Military Veterans' Association and Venda Defence Force Military Veterans' Association and in order to *inter alia* unite the military veterans community of South Africa, effect unity and represent all military veterans in their concerns.
10. The mission of the Trust is to:
 - 10.1. be a united and caring organisation that represents the interests of military veterans;

DA SMK

- 10.2. be a national organisation which unites military veterans' organisations; whose members have experienced the sufferings of conflict and war, and whose forces fought side by side or faced each other in combat, and want to contribute to the maintenance of a democratic and united South Africa established in terms of and based on the principles of the Constitution of the Republic of South Africa, 1996;
 - 10.3. advocate the spiritual and material interests of veterans and victims of war and their dependents by all available means;
 - 10.4. affiliate with World Veterans Organisations which assist in the aim of contributing to the establishment of a fully democratic, peaceful, just and free society based on the UN Charter and International Bill of Rights; and
 - 10.5. promote the full reintegration of military veterans and victims of war in their respective communities by providing appropriate rehabilitation and other relevant legislation and actions to overcome the physical and psycho-social consequences of armed conflict; and be a repository of knowledge, experience and professionalism of military veterans' affairs for the benefit of all military veterans.
11. The objectives of the Trust are to:
- 11.1. promote unity and co-operation among military veterans' organisations in South Africa and to facilitate the membership of the Trust by all military veterans groupings which are lawfully representative of the interest of military veterans;

DA SMH

- 11.2. protect and promote the common interests of military veterans' organisations;
- 11.3. promote and protect the socio-economic interests and welfare of military veterans and their dependents in South Africa;
- 11.4. collaborate, lobby and negotiate on all matters affecting the welfare and interests of military veterans and their dependents with any relevant authorities, bodies or persons; secure representation in or membership of other relevant organisations or bodies on international, continental, national, provincial and local levels;
- 11.5. promote and maintain the memory of all the men and women who sacrificed their lives in honour and in service of their country;
- 11.6. assist in the updating of a database of military veterans as contemplated by the Military Veterans' Affairs Act, Act No. 17 of 1999 ("the Act");
- 11.7. promote and maintain military veterans' values and traditions;
- 11.8. promote representivity within the Trust;
- 11.9. consult and negotiate in the interest of military veterans and their dependants with any State departments, State agencies, provincial and local authorities and all other persons, organisations or institutions who or which are concerned with military veterans' affairs as defined in the Act;
- 11.10. obtain from Parliament the required financial, logistic support and resources to enable it to carry out its aims and objectives; and

SML
DA

11.11. assist the Minister and Director of Military Veterans Affairs in meeting their objectives as required by the Act.

12. A copy of the Trust's deed is attached hereto marked as annexure "DP3".

DIRECT, SUBSTANTIAL AND MATERIAL INTEREST IN THE LIQUIDATION APPLICATION

13. The Trust has been identified by the Government Employees Pension Fund ("GEPF") and the Public Investment Corporation ("PIC") to benefit from a sale of land and property development transaction being concluded between the GEPF and Isago.

14. Isago is currently the registered owner of two pieces of land with a current market value of approximately R850 000 000.00 (eight hundred and fifty million Rand) ("**the Properties**"), namely:

14.1. Remainder of Portion 97 of the Farm Palmietfontein No. 403

Registration Division IP

North West Province

measuring 547,4207 (five hundred and forty seven comma four two nought seven) hectares

Held by Certificate of Consolidated Title No. T44948/2011; and

14.2. The Farm Isago @N12 564

Registration Division IP

North West Province

DA SML

measuring 481,2140 (four hundred and eighty one comma two one four nought) hectares

Held by Certificate of Consolidated Title No. T44949/2011.

15. Copies of the deeds office searches confirming the above are attached hereto marked as annexures "DP4 and "DP5
16. Isago and the GEPF have concluded a transaction in terms of which:
 - 16.1. the GEPF shall acquire a 60% (sixty percent) undivided share in the Properties;
 - 16.2. the remaining 40% (forty percent) undivided share in the Properties is to be transferred to Isago Property Holdings Proprietary Limited ("Isago Property Holdings");
 - 16.3. 79% (seventy nine percent) of the shares in Isago Property Holdings are to be held by Anglo Saxon Developments Proprietary Limited, 20% (twenty percent) of the shares in Isago Property Holdings are to be held by Moedi Bosele Invetors Proprietary Limited and 1% (one percent) of the shares in Isago Property Holdings is to be held by the Trust; and
 - 16.4. The Trust has a pre-emptive right to acquire up to a maximum of 50% (fifty percent) of the shares in Isago Property Holdings.
17. A copy of the relevant letter of approval by the PIC setting out the material terms of the transaction is attached hereto marked as annexure "DP6

DA SMK

18. The Properties have been earmarked for development by the would-be co-owners, being Isago and the GEPF, and Isago Property Holdings is the special purpose vehicle which has been identified by them to develop the Properties.
19. The income and profits derived from developing the Properties shall accrue to Isago Property Holdings and accordingly, the shareholders of Isago Property Holdings which includes the Trust, shall benefit therefrom.
20. The demobilisation exercise under the Demobilisation Act, Act No. 99 of 1996 resulted in thousands of former liberation war fighters being unemployed, not being properly integrated into society and suffering poverty and destitution.
21. The aim of the development of the Properties by Isago Property Holdings is to *inter alia* create job opportunities for military veterans, their dependents and other historically disadvantaged individuals; seek and facilitate education and skills development programmes for such military veterans and other historically disadvantaged individuals; and seek and facilitate business opportunities for military veterans and other historically disadvantaged individuals.
22. The Trust, the military veterans which it represents and the historically disadvantaged persons who stand to gain from the development of the Property will suffer a great deal of prejudice should Isago be liquidated and the development of the Properties not take place.
23. The necessary transaction agreements have been concluded by Isago, the GEPF and Isago Property Holdings. Copies of the duly executed agreements are attached hereto marked as annexures "DP 7", "DP8", "DP9" and "DP10".

DA SMH

24. Regarding fulfilment of the conditions precedent of the transaction, the transaction is currently being considered by the Competition Commission for their approval and the Trust is advised that the Township Establishment approval by the City of Matlosana will be granted imminently. Please find copies of correspondence with the Competition Commission and the City of Matlosana attached hereto marked as annexures "DP 11.1 to DP 11.6".
25. In the event that Isago is liquidated:
- 25.1. the Properties will not transfer to Isago Property Holdings in terms of the transaction agreements already concluded between Isago, the GEPF and Isago Property Holdings;
 - 25.2. development of the land by Isago Property Holdings will not take place;
 - 25.3. The demobilisation exercise under the Demobilisation Act, Act No. 99 of 1996 resulted in thousands of former liberation war fighters being unemployed, not being properly integrated into society and suffering poverty and destitution;
 - 25.4. The aim of the development of the Properties by Isago Property Holdings is to *inter alia* create job opportunities for military veterans, their dependents and other historically disadvantaged individuals; seek and facilitate education and skills development programmes for such military veterans and other historically disadvantaged individuals; and seek and facilitate business opportunities for military veterans and other historically disadvantaged individuals; and

DA SML

- 25.5. The Trust, the military veterans which it represents and the historically disadvantaged persons who stand to gain from the development of the Property will suffer a great deal of prejudice should Isago be liquidated and the development of the Properties not take place.
- 25.6. the Matlosana Community, as a previously disadvantaged community, will not benefit from the broader socio-economic development which development of the Properties will bring about as the infrastructural investment in the Matlosana community will not take place;
- 25.7. the Matlosana Community and the historically disadvantaged individuals earmarked as service providers and contractors to the development of the Properties will not benefit from the development of the Properties;
- 25.8. the Trust will not acquire its shares in Isago Property Holdings;
- 25.9. the Trust will not derive the financial benefit of any distribution of profits from the development of the Properties;
- 25.10. the military veterans represented by the Trust will not benefit from the development of the Properties; and
- 25.11. the persons earmarked for empowerment by Isago Property Holdings by means of skills development and training will not benefit from development of the Properties.
26. Notwithstanding the above, I submit to this Honourable Court that, based on the Trust's rights as aforesaid, the Trust has a direct, substantial and material legal interest in the subject matter of the Liquidation Application as an order for the

DA

liquidation of Isago will vastly affect the Trust's rights and the rights of the military veterans represented by the Trust.

27. The prejudice includes shares which would have accrued to the Trust not accruing to the Trust and is definitely not in the Trust's best interests, nor the best interests of the military veterans which the Trust represents.
28. It is the Trust's intention, upon being admitted as an intervening party, to file papers opposing the liquidation of Isago and seeking dismissal of the Liquidation Application *inter alia* on the basis that the liquidation of Isago:
 - 28.1. is not in the best interests of the Trust, nor the *concursum creditorium* as a whole;
 - 28.2. it is not in the interests of justice for any company that is not factually insolvent to be placed in liquidation;
 - 28.3. will adversely affect the approximately 170 000 military veterans which the Trust represents and their extended families, which, on an average of 5 (five) persons per household, equates to approximately 850 000 persons who will be negatively impacted; and
 - 28.4. will deprive the Trust of the funds which have been earmarked by the Trust to be utilised to benefit and support the military veterans, their extended families and the Matlosana community as a whole.
29. I submit that, for all of the aforementioned reasons, the Trust should be admitted as an intervening party in the liquidation application as the second respondent, and be permitted to file any necessary further affidavits and other court

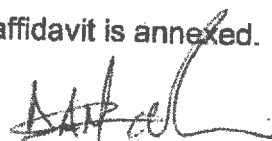
DA SMH

documents therein. Should the Trust be deprived of such an opportunity, the Trust and those whom the Trust represents will be severely prejudiced as described above. Furthermore, the non-inclusion of the Trust would be inequitable.

Conclusion

30. The Trust and those whom the Trust represents have a material, direct and substantial interest in the Liquidation Application;
31. The Trust wishes to make its own submissions in the Liquidation Application; and
32. The Trust and those whom the Trust represents will suffer substantial prejudice in the event that the relief sought by the Trust is not granted.

WHEREFORE I humbly pray that it may please this Honourable Court to grant an Order in terms of the Notice of Motion to which this affidavit is annexed.



DUDU ANGELICA PHAMA

I hereby certify that the deponent has acknowledged that:

- (a) She knows and understands the contents of this declaration;
- (b) She has no objection to taking the oath; and
- (c) She considers the oath to be binding on her conscience.

THUS signed and sworn to before me at Pretoria on
this the 27 day of November 2018, the Regulations contained
in Government Notice no. R1258 of 21 July 1972 having been fully complied with.

DA SMH

11838708
SM
COMMISSIONER OF OATHS

SOUTH AFRICAN POLICE SERVICE
GARSFONTEIN
2018 -11- 27
COMMUNITY SERVICE CENTRE
SUID-AFRIKAANSE POLISIEDIENS

SA SMH