

Dear Valued Members of the Municipal Employees Pension Fund,

This year, Akani Retirement Fund Administrators proudly celebrates 23 years of service in the financial sector. Over the past two decades, we have remained steadfast in our commitment to providing innovative and value-driven services to you, our members. We deeply appreciate the trust and loyalty you have placed in us and want to assure you that Akani RFA will continue to prioritize transparency, integrity, and excellence in everything we do.

In light of recent developments, we understand that many of you may have concerns regarding an article published by *News24* on August 8, 2024, titled "*Workers for Jam: How Workers' Fund Manager Scored R300m by Selling Property...to the Workers*," written by Mr. Sikonathi Mantshantsha. The article contains several unfounded and malicious allegations that have understandably caused concern among our members, stakeholders, and the public.

At Akani, we believe that transparency is key to fostering trust. Therefore, we are writing this letter to provide clarity that will dispel any misconceptions and inform you of the steps we are taking to address these allegations.

Addressing the Allegations

The article claims that Akani Retirement Fund Administrators and our Group Chairman, Mr. Zamani Letjane, were involved in improper financial dealings, specifically citing the sale of a property to the Municipal Employees Pension Fund (MEPF) at an inflated price of R333 million. This claim is not only false but also grossly misrepresents the facts. Akani RFA is cooperating fully with investigations conducted by the FSCA and although the process has been lengthy and brings to question numerous aspects of how business is conducted between the MEPF and Akani RFA, we have cooperated with the process since inception. We have submitted all the information requested including the documents relating to the purchase of the property referred to in *News24*.

To set the record straight: In the 1990s, Mr. Letjane acquired several adjacent properties, which were later consolidated into a single Erf (Erf 155). These properties formed part of Akani Properties and were developed into what became The Destiny Hotel, a fully operational hotel that served visitors during major events such as the 2010 FIFA World Cup, as well as the OR Tambo International Convention Centre (ICC). The article inaccurately refers to these developments as a single piece of land and erroneously underestimates the size of the property in question.

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The article further alleges that Akani Properties, through Mr. Letjane, sold this "piece of land" to the MEPF for R333 million in 2018. The truth is that what was sold was not undeveloped land, but a fully developed property that included The Destiny Hotel, the OR Tambo ICC, and several other structures. After the sale, the property underwent significant changes, including a rebranding, and is now known as the Radisson Hotel and International Convention Centre Johannesburg OR Tambo.

The Valuation and Sale Process

The property in question was professionally evaluated by Akani Properties, MEPF, and independent valuers, who collectively determined its value to be R555 million (excluding VAT). MEPF also conducted its own due diligence, which included a feasibility study. Complaints were filed to ascertain the validity of this and the MEPF has actively engaged the FSCA on the appropriateness of the board and trustees that reached the decision to purchase the property in stages. Initially acquiring 60% of the undivided share of the property and a further 20% sale which brought MEPF to owning 80% of the undivided share of the property.

Prior to the conclusion of the sales agreement, Independent Development Corporation (IDC) expressed interest in funding Akani Properties' expansion of the property with R243 million. This did not materialise however it substantiates the value of the property which is under question. Furthermore, the article mentions auditors from MEPF alerting the Independent Regulatory Board for Auditors (IRBA) of an irregularity but fails to mention that in June 2020, IRBA confirmed that no irregularities were found.

Our Response and Actions

Akani Retirement Fund Administrators has taken this matter very seriously and has engaged with *News24* through our legal representatives. We are seeking a full retraction of the article and its removal from all *News24* platforms. The allegations made in this article are baseless, and their continued presence in the public domain threatens to erode the reputation of Akani RFA and our stakeholders.

In addition to pursuing legal recourse, we are actively working to engage with all relevant parties, including the MEPF and FSCA investigators, to ensure that the truth prevails. We want to assure you that Akani RFA has always operated within the confines of the law and with the highest ethical standards. We have respected all regulations governing the financial sector in South Africa and will continue to do so.

Upholding Our Values and Mission

At Akani Retirement Fund Administrators, our mission is to provide exceptional retirement fund administration services that safeguard the futures of our members. Our core values—integrity, transparency, excellence, and innovation—are the foundation upon which our success has been built.



We will continue to uphold these values as we navigate the current challenges and beyond.

This unfortunate episode will not deter us from continuing to deliver the high-quality service you have come to expect from Akani. We remain committed to growing our portfolio, strengthening our relationships with stakeholders, and securing the financial futures of our members and future generations.

Thank You for Your Continued Support

We would like to extend our heartfelt thanks to you, our valued members, for your continued support during this time. Your trust in Akani is what drives us to continuously strive for excellence. Please rest assured that we will keep you informed of any significant developments as we work towards a resolution.

As we move forward, we reaffirm our commitment to the values that have guided us for the past 23 years and will continue to do so for many years to come.

ON BEHALF OF THE MUNICIPAL EMPLOYEES PENSION FUND

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AKANI RETIREMENT FUND ADMINISTRATORS

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