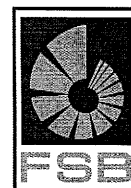


FINANCIAL SERVICES BOARD

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SECOND GENERAL INFORMATION CIRCULAR BY THE REGISTRAR OF PENSION FUNDS TO STAKEHOLDERS OF THE FOLLOWING PENSION FUNDS:

1. MITCHELL COTTS PENSION FUND (12/8/9603) (in liquidation)
 2. LUCAS SA PENSION FUND (12/8/10121) (in liquidation)
 3. PRESTOLITE PENSION FUND (12/8/27521) (in liquidation)
 4. PICBEL GROEPVOORSORGFONDS (12/8/9087) (in liquidation)
 5. SABLE INDUSTRIES PENSION FUND (12/8/20317) (under curatorship)
 6. DATAKOR GROUP PENSION FUND (12/8/8849) (under curatorship)
 7. DATAKOR GROUP RETIREMENT FUND (12/8/19919) (under curatorship)
 8. CORTECH PENSION FUND (12/8/7696) (under curatorship)
 9. POWER PACK PENSION FUND (12/8/32056) (in liquidation)
- ("the Funds")

INTRODUCTION

1. This general Information Circular, which is an update to the previous Circular issued by the Registrar on 16 November 2011, serves to advise the stakeholders of the Funds as to the current status of the surplus apportionment schemes submitted to the Registrar, as well as other developments concerning the Funds.

2. As previously reported, surplus apportionment schemes had been submitted to the Registrar's Office for eight of the Funds, the exception being the Power Pack Pension Fund (formerly known as the Cullinan Group Pension Fund). It was previously reported by the Liquidator of the Power Pack Pension Fund that an amount of approximately R 96 million was available for distribution to stakeholders in that fund.
3. It is anticipated that the surplus scheme in respect of the Power Pack Pension Fund will be submitted in the near future as significant progress has been made with regard to the investigations into the affairs of the Cullinan Group 1985 Pension Scheme and the Cullinan Group 1994 Pension Fund (collectively the "Cullinan Funds"), both of which may impact the surplus in the Power Pack Pension Fund.

Interested parties and stakeholders of the Cullinan Funds may direct any further enquiries which they may have to the board members of these funds, whose details are as follows:

Mike Codron	mike.codron@icon.co.za
Adv. Sandile Khumalo	sandilekh@webmail.co.za

SURPLUS APPORTIONMENT SCHEMES – APPROVAL AND IMPLEMENTATION

4. The surplus apportionment scheme for the Mitchell Cotts Pension Fund was approved during February 2011 and the surplus apportionment schemes for the other funds (excluding Power Pack) were approved during May 2012.
5. All the surplus schemes were approved on the basis that the surplus amounts available as a result of recoveries made thus far will be distributed, notwithstanding the fact that the Funds are still engaged in litigation and other processes aimed at further recoveries.

Should such further recoveries be made by the Curator / Liquidator of the Funds, addenda to the surplus apportionment schemes will be submitted to reflect further distribution of surplus amounts.

Once this has been finalised, any remaining assets will be distributed as part of the liquidation process.

6. The approval of the Funds' surplus schemes followed extensive engagement with the valuers of the Funds reflected in the table below:

FUND NAME(S)	VALUATOR(S)
Mitchell Cotts Pension Fund	C Southey E Potgieter
Datakor Group Pension & Retirement Fund, Cortech Pension Fund	C van der Meulen M Vleggaar
Lucas Pension Fund, Sable Industries Pension Fund, Prestolite Pension Fund	G Finch
Picbel Groepvoorsorgfonds	A Lester E Potgieter

7. Payments flowing from the implementation of the approved surplus schemes will, on the advice of the valuers of the Funds, be effected in two tranches. The first tranche of payments will distribute approximately 85% of the surplus to stakeholders. The balance will be paid in due course.
8. The need for this approach has been endorsed by all the valuers who motivated the need for this conservative approach.

SURPLUS APPORTIONMENT SCHEMES – AMOUNTS TO BE DISTRIBUTED

9. The following table is a summary of the surplus apportionment schemes submitted to the Registrar's Office for the eight approved funds and provides an indication of the assets of each Fund as at its surplus apportionment date (SAD), its liabilities, reserves and the surplus available for distribution as at that date:

TABLE 1

Fund	(R' million)				Status of scheme
	Assets	Liabilities	Reserves	Surplus at SAD	
Mitchell Cotts Pension Fund	79.277	41.632	2.867	34.778	Approved
Lucas SA Pension Fund	37.762	23.557	5.141	9.064	Approved
Prestolite Pension Fund	39.998	33.257	1.297	5.444	Approved
Picbel Groepvoorsorgfonds	62.270	9.097	16.964	36.209	Approved
Sable Industries Pension Fund	63.416	31.759	3.030	28.627	Approved
Datakor Group Pension Fund	87.206	33.096	3.637	50.473	Approved
Datakor Group Retirement Fund	9.276	0.177	0.462	8.637	Approved
Cortech Pension Fund	21.553	3.529	0.841	17.183	Approved
TOTAL	400.758	176.104	34.239	190.415	

10. The liabilities reflected in table 1 represent the active and pensioner liabilities at SAD. Reserve accounts were established on the advice of the valutors in order to provide for data errors, surplus costs and potential future litigation costs.

The surplus at SAD for each fund will, in terms of the Pension Funds Act, be accumulated with fund return until the date that payments are made.

11. The valutors of the Funds provided the Registrar's Office with the latest available figures (as at 28 February 2012) reflecting the current values of the net assets of the Funds. These amounts consist of the recoveries made by the Curator / Liquidator, as well as insurance policies purchased on behalf of the pensioners, less payments made and expenses defrayed.
12. In the previous Circular the Registrar reported that the net asset value (for all the Funds, including Power Pack) as at October 2011 amounted to R 902.139 million. The corresponding value as at February 2012, which includes investment return since October 2011, amounts to R 920.447 million, or R 760.250 million excluding insurance policies.

The information provided to the Registrar indicates that the net assets of the Power Pack Pension Fund as at February 2012 amounted to R 103.258 million. This amount has been excluded from table 2 below as the surplus scheme for the Power Pack Pension Fund is yet to be submitted and approved.

The total cash surplus amount to be distributed as at 28 February 2012 for the eight funds (excluding Power Pack) is valued at R 571.041 million. This value was calculated as total net assets less total current liabilities less total reserves and excludes insurance policies.

13. The following table provides a breakdown of the total surplus amount for each of the eight approved funds:

TABLE 2

Fund	(R' million)			
	Total Net Assets (excluding policies)	Current Liabilities	Reserves	Total Distributable Surplus
Mitchell Cotts Pension Fund	168.251	3.801	5.500	158.949*
Lucas Pension Fund	39.639	2.150	7.739	29.751
Picbel Pension Fund	118.051	3.412	8.808	105.832
Prestolite Pension Fund	23.288	3.040	4.799	15.448
Sable Pension Fund	98.645	0.060	7.645	90.940
Datakor Group Pension Fund	141.224	19.249	7.200	114.775
Datakor Group Retirement Fund	20.666	0.043	5.296	15.327
Cortech Pension Fund	47.228	1.646	5.564	40.019
TOTAL	656.992	33.401	52.551	571.041

* **NOTE:** The values of the surplus payments made in respect of the Mitchell Cotts Pension Fund have been included for completeness. The valuator of this fund advised the Registrar that as at 28 February 2012 an amount of R 50.058 million had already been paid to stakeholders.

14. The reserve accounts established in each fund on the advice of the valutors provide for data errors, surplus costs and provisions for future litigation. Stakeholders are advised that, in line with the Registrar's standard approach, the surplus schemes for the Funds were approved on the basis that over-budgeted amounts in any reserve accounts must be included in distributable surplus, once the actual costs have been incurred.

15. Copies of the valuation reports and surplus apportionment schemes of the eight approved funds had previously been published on the FSB's website (www.fsb.co.za) and are still available should stakeholders want to have regard to any of the detail contained in the schemes or valuation reports.

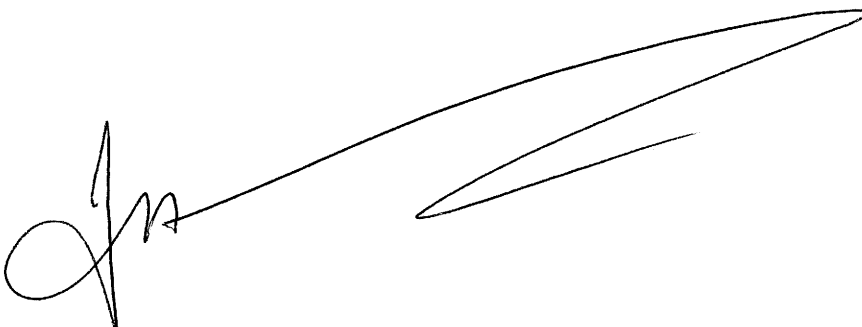
FINANCIAL STATEMENTS

16. In terms of section 15 of the Act, every registered pension fund is required to submit within six months after its financial year-end financial statements to the Registrar's Office in regard to its revenue, expenditure and financial position.
17. The Registrar granted exemptions in terms of section 2(5)(a) of the Act to six of the Funds, allowing the submission of consolidated annual financial statements. The consolidated financial statements are in the process of being finalised and will be published on the FSB's website once submitted.

CONCLUSION

18. Following the approval of the surplus apportionment schemes for the eight Funds concerned, the process of effecting payment of the surplus amounts to stakeholders has commenced. This payment process is being overseen and undertaken by the Funds' administrator Old Mutual.

Stakeholders may contact Old Mutual at their call centre on 0860 504 504 for any general surplus related queries. If they have any further concerns, they may contact Pearl Van Der Sluis on (021) 509 1437.



JA BOYD
REGISTRAR OF PENSION FUNDS