

FSB Statement on Leaf Capital (Pty) Ltd

The FSB conducted an investigation on an investment made by three Pension funds, through a debenture instrument, in terms whereof the Pension funds became beneficiaries of the Leaf Property Fund Trust managed by Leaf Capital (Pty) Ltd. The FSB reviewed the initial structure of the investment scheme, a subsequent restructuring thereof, and the fees charged to the investors.

The FSB raised concerns about the fees incurred by the funds. Following the intervention of the FSB, Leaf Capital agreed to refund a portion of the fees to the affected Pension funds. Leaf Capital has also agreed to reimburse the FSB's costs.

The FSB will not take any regulatory action against Leaf Capital.

The Registrar expressed concern in general about the structure of pricing in the property industry, and the risk of clients not being fully informed.

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Enquiries: Ms Tembisa Marele
Communications Specialist
Financial Services Board
Email address: Tembisa.Marele@fsb.co.za
Telephone: 012 428 8025
Cell: 083 754 2052