



The Association for Monitoring and Advocacy of Government Pensions: An independent group of pensioners and civil servants concerned about the long term viability of the GEPP and sustainability of its return on investments.

www.amagp.co.za

f GEPP Watchdog - Waghond



NEWSLETTER NO 17 of 2018

AMAGP – Association for Monitoring and Advocacy of Government Pensions
BOT – Board of Trustees [of the GEPP]
FSCA – Financial Sector Conduct Authority [previously the FSB]
GEPP - Government Employees' Pension Fund
PEO – Primary Executive Officer
PIC – Public Investment Corporation
PSA – Public Servants' Association
ROI – return on investment
SC – state capture
SCF – Standing Committee on Finance
SCOPA - Standing Committee on Public Accounts
SOC – state owned company
SOE – state owned entities

There are 1 273 784 active members, 437 051 pensioners, and "R 1 67 trillion in assets under management". GEPP Advertisement for a Government Employees Pension Ombud. Rapport 4 February 2018.

The Editor's Word

The transparency of our Fund is noteworthy because of its lack. Efforts to have the fund comply with PAIA have been unsuccessful and even the courts haven't been able to open the access yet. I mean, if your confidentiality policy is also confidential it must mean your own staff don't have access

to it? See the AMAGP press release on this matter 28 September 2018 for detail.

The piggy bank referred to in press releases is an old British object, usually ceramic, shaped like a pig, with a slot on the top for coins, that was commonly used for savings. Referring to it usually alludes to it being raided for other uses than the intended savings.

Just think on the more than one million pensioners to come, eventually increasing the liability of the Fund to about 1,5 million pensioners; four times the current expenditure will be required. That is what AMAGP is concerned about.

Redress of discriminatory practices with respect to pensions - Public Service Coordinating Bargaining Council [PSCBC] resolutions 7/1998 and 12/2002. Take note. This matter has been ongoing since 1998 and is still not finalised. Details are murky, as are the statistical bases used for calculations. The main issue is the funding of this additional expense, either the state or the Fund, still not clarified. Looks like scope for fraud if not properly managed. Thank you Zirk of Solidariteit for the information.

VBS debacle. The revelations just don't seem to want to stop. Many of those who profess innocence seem to be recipients of the looting, either knowingly or at least suspecting something wasn't right. Hopefully the investigations are going to result in court proceedings to recover the looted funds, and fines and incarceration of those involved.

The terms of reference for the commission of inquiry into the PIC has been promulgated and is available in Government Gazette No. 41979, 17 October 2018 Staatskoerant, 17 Oktober 2018 No. 41979. The Afrikaans version is missing paragraph 5, but I'm sure, dear reader, you will be able to read the

English version. The Commission will now be able to start the investigation.

Editor

NEWS NEWS NEWS

POLITICSWEB



Probe into PIC welcomed – SAFTU

Patrick Craven 18 October 2018

18 October 2018

The South Africa Federation of Trade Unions welcomes the President's announcement that the promised judicial inquiry into the PIC will be headed by retired judge Lex Mpati, the former president of the Supreme Court of Appeal. He will be assisted by former South African Reserve Bank governor Gill Marcus and investment banker and asset manager Emmanuel Lediga.

SAFTU has already expressed its concern about serious allegations of the looting of the PIC allegedly by private individuals. The inquiry must be truly independent and non-partisan and if it reveals that anyone is guilty then they must face the consequences.

SAFTU is already working with lawyers to get to the bottom of these allegations.

We demand that Dr Matjila and the Board be placed on leave, that the suspensions of the executives be lifted and those who took golden handshakes be asked to testify to the inquiry. In addition the inquiry must ensure that whistle blowers will not be victimised if they come forward.

The Federation also welcomes the fact the Inquiry's terms of reference extend beyond matters of governance only to an instruction to probe various controversial transactions that took place in 2017 and 2018 and to probe whether the PIC has adequate measures in place to ensure that investments do not unduly "favour or discriminate against" prominent influential people, their immediate family members or known associates.

It should look into the PIC's private placement of R4.3bn in initial public offering of Iqbal Serve's Ayo Technologies last December at a price that was regarded by the market as grossly overvalued; the PIC's subsequent enthusiasm to invest in Survé's Sagarmantha, which did not go ahead; and its investment in the S&S Oil refinery in Mozambique in which the son of former finance minister Nhlahla Nene was involved.

The PIC, which manages R2-trillion in government pension and other funds, is the largest asset manager on the continent. This is workers' money, and must therefore be invested both to provide security to those whose pension and provident money the PIC manages, and also to play a key role in development our country by setting aside a percentage of the funds to be invested in government bonds that are dedicated to, for example, building infrastructure in residential areas where workers reside.

Currently the fund managers interpret the "maximum return mandate" too narrowly to mean money can only be lent to mega projects in the city centres to build more glass-fronted buildings.

SAFTU also calls for the PIC to be made more democratic and accountable, so that the employees have representatives to take decisions on how their money should be invested and mandate the PIC officials to implement these policies.

Issued by Patrick Craven, SAFTU Acting Spokesperson, 18 October 2018

Synopsis

[South Africa Moneyweb](#)

PIC inquiry not just about Dan Matjila

Inquiry's terms of reference in probing governance, corruption and mismanagement at the continent's largest money manager are far-reaching.

[Ray Mahlaka](#) 18 October 2018

Shady dealings and shadowy figures – the PIC's trail of dubious transactions is long, and Matjila is unlikely to be the only one who comes under the microscope.

President Cyril Ramaphosa on Wednesday published the terms of reference for a judicial commission of inquiry into the PIC that goes beyond the corruption allegations that have dogged the money manager and its CEO for more than a year.

The inquiry will examine broader governance, corruption and mismanagement issues going as far back as 2015. It's also the first decisive action taken by Ramaphosa and former finance minister Nhlanhla Nene. The terms of reference determine the scope of the inquiry and focus predominantly on whether the investment decisions made by the PIC flouted any policy or law, or benefited a select few.

Arguably, this will be a key focus given the PIC's questionable investments, such as its more than 25% shareholding in VBS Mutual Bank and paying R4.3 billion to secure a 29% stake in Iqbal Surve's Ayo Technologies in December 2017 – which market watchers said was exceptionally overvalued.

The inquiry will be headed by former Supreme Court of Appeal judge Lex Mpati, who will be assisted by former Reserve Bank governor Gill Marcus and highly-skilled asset manager Emmanuel Lediga. It is set to produce a final report with recommendations by April 2019.

It would appear, from a reading of the terms of reference, that the inquiry might prominently feature the PIC's management and board, which has been divided on how to deal with corruption allegations surrounding Matjila.

The inquiry will examine whether there was any impropriety regarding investment decisions by the PIC that contravened any legislation and policy which resulted in "any undue benefit for any PIC director, or employee or any associate or family member of any PIC director."

Other terms of reference leave the door open for the inquiry to probe the role of directors at the PIC. "The Commission must enquire into, make findings, report on and make recommendations on whether any PIC director or employee used his or her position or privileges, or confidential information for personal gain or to improperly benefit another person," the terms of reference document reads.

UDM president Bantu Holomisa has been vocal about businessmen who 'peddled' their influence and use their proximity to Matjila to secure millions in funding from the PIC. In his letter to Ramaphosa, Holomisa accused Matjila of personally releasing funding worth R2 billion without approval from the PIC's board, over an unspecified period, to businessmen with strong ties to the PIC itself and government.

Considering the various political influence allegations levelled against Matjila, the inquiry will also probe whether the PIC has adequate measures in place to ensure that investments do not unduly "favour or discriminate against" prominent influential persons, their immediate family members or known associates.

Beyond the role of the board and management, internal issues such as the treatment and protection of whistle-blowers, and whether confidential information of the PIC was disclosed to third parties will be aired.

This aspect of the inquiry arguably relates to a number of PIC staff members who were fired or resigned in 2017 after being personally investigated by Matjila for leaking information about his alleged misconduct to the media.

Comment

Terms of reference published in No. 41979 Government Gazette, 17 October 2018. A clear and unambiguous document.

PIC feeds on Karan beef, invests R5,2bn for majority stake

biznews

By Hilton Shone and Loni Prinsloo

(Bloomberg) – South Africa's PIC and black-economic empowerment group Pelo Agricultural Ventures agreed to pay as much as R5.2 billion for a majority stake in Karan Beef, which operates the continent's largest cattle feedlot and abattoir.

Founded by the Karan family on their farm in 1974 with fewer than 100 head of cattle, the company now owns a herd of about 150,000 and has also purchased three adjoining farms,

an abattoir processing 2,100 cattle daily, and a nearby distribution centre. While it mainly supplies the local market, it also has substantial exports, according to an emailed statement from the PIC, which didn't disclose the size of the stake.



Photo published courtesy of [Karan Beef website](#).

Pelo Agricultural Ventures is a black-owned, managed and controlled investment holding company that operates in the agricultural sector in South Africa and the rest of the continent. South Africa's government is pushing businesses to include more black participants to make up for discrimination during apartheid.

"It will bring new entrants into the sector at ownership level and will be instrumental in bringing emerging farmers into the value chain of beef production in South Africa," PIC CEO Dan Matjila said. Pelo will work with Karan's existing management to grow the company, CEO Aobakwe Kukama said.

Comment

First reported here in June, it has now realised. It seems like an investment with the prospect of good ROI.

Synopsis

POLITICSWEB



VBS: SAPS should probe PIC as well - Kevin Mileham

Kevin Mileham 15 July 2018

DA calls for SAPS investigation into VBS corruption to be expanded to include the PIC

The corruption investigation into VBS executives and Vele investments, following

charges that the DA laid on Friday, must be expanded to include two PIC officials, Paul Magula and Ernest Nesane, who were allegedly paid to keep silent while the collapsed bank was being looted.

Media reports indicate that, while acting on behalf of the PIC representatives as non-Executive Directors on the VBS Board, Magula and Nesane received payments in excess of R5 million for 'loans, mortgages, salaries and a shelf company'.

The latest revelation is an indictment on the PIC's poor investment choices and lax internal control mechanisms that failed to detect that their representatives at VBS had 'been bought' and could no longer be trusted with fiduciary responsibilities.

In the interests of justice, all those implicated in VBS bank looting must not only face criminal charges in terms of the Section 3 of the Prevention and Combating of Corrupt Activities Act but they also must be made to pay back all the money they received illegitimately.

It is unacceptable that while poor South Africans who banked with VBS are now struggling to withdraw their hard earned money, individuals who corruptly benefited from VBS sleaze are living comfortably from the proceeds of their ill-gotten wealth.

The DA looks forward to a timely conclusion of the SAPS investigation into VBS corruption and the beginning of the prosecution process of all those implicated, as an essential first step in restoring the tainted image of the country's financial services sector.

Statement issued by Kevin Mileham MP, DA Shadow Minister of Co-operative Governance and Traditional Affairs, 15 July 2018

Comment

The VBS debacle is continuing to expose the large, medium, and small involved and, uninvolved, those in the know and those suspecting, and holding them up to the light. I am happy to read about their continuing desperate frenzy to excuse, explain and justify their actions without a thought of returning the money.

Synopsis

South Africa 15 October 2018 Citizen

PIC must disclose details of R70bn worth of investments – DA

ANA



CAPE TOWN, SOUTH AFRICA - MARCH 17: Democratic Alliance (DA) leader Mmusi Maimane and the party's shadow finance minister David Maynier. (Photo by Gallo Images / Nardus Engelbrecht)

The DA says there seems to have been an about turn when it comes to greater transparency at the PIC.

One of the first tests for South Africa's new Finance Minister Tito Mboweni is whether he will support the disclosure of detailed information about R70 billion worth of investments made by the PIC in its "unlisted investment portfolio" in 2017/18, the DA said on Monday.

DA shadow minister of finance David Maynier said the PIC had disclosed information about these investments for the past two years ahead of the medium-term budget policy statement being presented in parliament in October, but no such disclosure has been made this year.

"No provision has been made for hearings on the PIC's 2017/18 annual report and annual financial statements by the finance committee in parliament," Maynier said. "There seems to have been an 'about turn' when it comes to greater transparency at the PIC."

Maynier said the National Treasury was now opposing provisions that would promote greater transparency contained in his private member's bill, which was before the finance committee in parliament.

"We have to ensure that detailed information about investments, especially investments in the 'unlisted investment portfolio', is disclosed

because it serves as a major disincentive to 'rent-seekers' with political influence who want to raid the PIC," he said.

Maynier said he would ask PIC CEO Dr Dan Matjila to provide detailed information about the R70 billion investments and had asked the chairperson of the SCOF Yunus Carrim to schedule a hearing with the PIC during the fourth term of parliament.

"We will not back down and will continue to fight for more transparency so that the PIC does not become a 'piggy bank' for the governing party in South Africa," Maynier added.

Comment

You will remember the deficit hidden in these unlisted investments? See the next article for some unpleasant detail.

Synopsis

The PIC and the myth of its unlimited resources

The government guarantee may yet turn into an oxymoron.

Barbara Curson 9 October 2018 Moneyweb



The PIC's massive capital base, seen as a perpetual piggy bank, is being stretched across a growing list of funding projects. Picture: Shutterstock

Reading the voluminous PIC integrated report, I cannot help but think that "the plague rats of the language virus" have crept in. The PIC has now embarked on growing its "client base and investment offerings through innovative thinking", aims to be a "catalyst of continental economic integration", and will be investing in people and creating "brand ambassadors".

The PIC, through its strategic partnerships, has been able to "crowd-in" capital. Perhaps it can provide an explanation as to what this is. I am sure they are not referring to crowdfunding.

The PIC is one of the few state-owned entities that met the deadline to publish its results. But is it growing its asset base? There is little information provided on investments, and none on earnings per investment. This is quite concerning, as the GEPF base of future pension fund beneficiaries is growing.

Income statement

Revenue for the year is up 10% to R1,2 billion (2017: R1,1 billion). Investment income is also up 13,7% to R182,7 million (2017: R160,6 million). However, the bad news is that profit for the year of R411,3 million is 22,8% down from 2017 (R533 million), and cash generated from operations of R416 million is down 30,2% from 2017 (R596,4 million). Total cash at the end of the year is at R299,8 million, down 25,6% from 2017 (R403,2 million).

Impairment losses, in regard to the equity and preference share investment in Bophelo Insurance Group (BIG), amounted to R82,3 million.

Despite the downturn in the economy, the PIC spent a total of R47 million on new furniture, R11,4 million on IT equipment, and R22 million on leasehold improvements. This resulted in an overall increase in property, plant and equipment of 88%.

Balance sheet

The PIC provides no breakdown of its investments in listed shares and bonds. It is not possible to ascertain which good investments have been sold, nor whether the investments are sound. The PIC will only apply the International Financial Reporting Standard (IFRS) 9 from 2019, and this may have a significant impact on its impairment provisions.

Calculated at the tax rate

In terms of assets under management, the PIC has R2,7 trillion (2017: R2,4 trillion), making it one of the largest asset managers on the African continent.

Worryingly, the PIC is juggling a few competing objectives: maintaining a healthy capital base to produce returns exceeding the cost of capital, and investing for sustainable growth, inclusivity and transformation. These

objectives do not necessarily deliver a return, and can result in losses.

The PIC's massive capital base will remain earmarked as a perpetual piggy bank, and the nervous GEPF pensioners will be watching this base stretching across a growing list of funding projects, until the foundations crack.

Comment

Although the data is dry and dusty, the conclusion is still that the PIC isn't performing as we expect it to do. And that verbiage is used to obfuscate the reality of there being no sustained ROI.

Synopsis

Africa's largest asset manager PIC tops R2-trillion in asset growth

Assets under management grow by less than 1% in year to March

1 October 2018 Linda Ensor

The PIC grew its assets under management by less than 1% to R2,08-trillion in the year to end-March 2018 from R1,928-trillion the previous year. Assets under management grew 0,75%, representing a compound annual growth rate of 8,6%, PIC CEO Dan Matjila said in the annual report tabled in parliament on Friday.

"The PIC listed equity assets, our largest single asset class, has consistently outperformed Swix-Alsi over an extended period," Matjila noted. "The GEPF listed portfolio [combined] achieved an overall outperformance of 0,09% over a 24-month rolling period and 0,18% over a 36-month rolling period," Matjila said.

Of the assets under management, 46,33% are in listed equities, 33,2% are in bonds, 5,38% are in cash and money markets and 2,93% are in properties. Unlisted investments include 1,02% in private equity, 2,35% in impact investing and 2,26% in properties.

Global listed equities make up 4,38% of the total portfolio, international listed bonds 0,99%, listed investments in Africa 0,92% and unlisted investments in Africa 0,24%.

Matjila noted that a total of R18,6bn was approved during the year for unlisted investments. Most of the investments were

made in health care, manufacturing and energy projects. Investment in the rest of the continent continued to grow, with \$876m approved during the year.

At the end of March the PIC had over R100bn allocated towards BEE asset managers. About 98% of the PIC's brokerage business was directed towards transformed stockbrokers who are 51% or more owned by blacks.

The PIC made a corporate profit of R417m (R532m).

Following a valuation by independent valuers, the PIC's investment in preference shares and equity was impaired to nil "due to high business risk, capital injection requirements and operating stabilisation of the entity in the future," a note to the PIC's financial statements said.

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Comment

Corporate profit? Explain that in terms of billions the GEPF paid the PIC in fees.

Impairment? It means written off, lost, gone, wasted.

It seems only about 6% of unlisted investments are reported.

A growth of fractions of a % isn't something to be proud of, given proven growth in the previous decades. Try to justify the commission, fees, etc the PIC gets for the underperforming investments.

An input by Christo van Dyk, well worth reading.

THE GEPF and its BLUEPRINT at WORK!

The GEPF recently released some information about how successful their Blueprint was. They used the Fund balance at the end of 2018 and compared it with the balance in 1996 to illustrate this massive growth.

When approached for the 1996 information, I was told no Annual reports [AR] existed at that time. The 2018 AR will only be available in a month and a half i.e mid November.

Anyhow, we make do with what we have.

The purpose of investments is to cover the pension liabilities, to earn a healthy return and to minimise costs. See the 10 year comparatives below:

NOTE	GEPF GROWTH COMPARISON [R'Billion]	FY2007	FY2017	RATIO FY2017 vs FY2007
1	Investments	662.3	1,664.00	2.51
2	Net investment income	115.6	72.1	0.62
3	Total investment expenses	0.5	3.8	7.18
4	Administrative expenses	0.3	1	3.84
PERCENTAGES				
5	ROI	17%	4%	0.25
6	Investment expenses/Investments	0.08%	0.23%	2.86
7	INVESTMENT Expenses/Income	0.50%	5.30%	11.51
8	EXPENCES Investment VS Admin	210%	393%	1.87

INVESTMENT BALANCE

The investment balance has GROWN 2.5 times since 2007. On face value this appears to be very good going. However, Pension Funds invest for a reason, namely to cover pension liabilities to ensure future payments. This specific comparison does not distinguish between added investments OR pure capital growth. We know from a separate analysis that a significant portion of the investment balance movement relates to the contributions by workers. The actual capital growth over this period is rather modest.

INVESTMENT INCOME

The fact that investment income [Note 2] in 2017 cannot even match the 2007 level is both UNEXPECTED and a DISAPPOINTING RESULT, even more so considering the 2.5 times higher amount of investments used in 2017! What does this say of the quality of the underlying investments held?

In addition, the investment income in 2017 was not even enough to cover benefit payments BUT barely 10 years ago, it covered the benefits almost 6 times.

[R' Billion]	FY2007	FY2017
Benefits Paid	21,2	88,1
Investment Income/Benefits	5,45	0,82

A final comment. In order to repeat the 2007 performance of a 17% ROI [Note 5], investment income amounting to R282bn should have been REALISED in 2017. The shortfall is R210bn. What happened with the

underlying investments that it can't produce this type of return? It did so in 2007.

INVESTMENT EXPENSES

Costs of investments matter (Note 3). In fact, for pension funds it's a cancer. We see that the cost of implementing the Blueprint is growing exponentially more than the capital growth and the investment income. At this time it appears that the Blueprint is working nicely for the investment managers and administrators who extract salaries, bonuses and management fees from the Fund at levels far exceeding inflation on the one hand and produced results on the other hand.



The graph clearly shows that the GROWTH in investment expenses is OUT OF LINE with the growth in the investment balance and the productiveness of those underlying assets [the Net Investment income]. It suggests that SIGNIFICANT INEFFICIENCIES have been building up over a number of years in managing the investments.

In essence, the workers and pensioners are funding via our Trustees and the FUND an ever increasing premium for getting less!

In the end, for the GEPF's BLUEPRINT to have really worked, the investments should be equal to the Long Term Funding Level. We know this has not been achieved since 2006 AND based on the current information, is unlikely to do so in the foreseeable future.

What is your view? Is the criticism above unfair?

Comment

The Blueprint was sent via GEPF Fundnews 2nd Edition 2018, which I haven't managed to locate except in hard copy. Christo's excellent commentary provides the reality to refute the wishful thinking contained in the statements in the Blueprint.

Synopsis

Moneyweb: Investing

What's more important – asset allocation or stock picking?

Are you and your asset manager focusing on the right thing?

Patrick Cairns 28 September 2018



Financial advisors tend to follow an inflation-plus target, but spend all their time comparing how managers have performed against each other. Picture: Shutterstock

Every investor has a goal. For most, this is to retire comfortably and perhaps leave something as a legacy. Most fund managers have a goal too. For most of them, however, that is to beat an asset-specific benchmark.

There is clearly a profound disconnect here. Financial advisors and asset managers will all claim to be looking after the best interests of their clients. What they end up doing, however, is often not genuinely aligned to those interests.

What gets managers fired?

Almost every financial advisor and pension fund will have a target for their portfolios that is expressed against inflation. For a high equity balanced portfolio, this would usually be somewhere in the region of inflation plus 5%. However, when they come to selecting managers to meet those targets, they often end up judging them on an entirely different basis.

“Every financial advisor probably follows an inflation-plus target, but they spend all their time comparing how managers have performed against each other,” says Philip Bradford, head of asset management at Sasfin Wealth. “Managers get fired if they don't beat their competitors, not if they don't achieve their investment targets.”

What that means is that advisors and investors easily lose sight of what their

portfolio should be doing for them. If every asset manager fails to achieve an inflation-plus target, but you are invested with one of the top performers, you will think that is a good outcome. Yet if your asset manager meets the inflation-plus target but underperforms their peers, that's unacceptable.

The bigger picture

Since asset managers have largely concentrated on outperforming their peers or asset-class specific benchmarks, they have focused most of their attention on stock picking or security selection.

"Yet, ironically, all the research suggests that about 95% of risk and return comes from the asset allocation in a portfolio," Bradford points out. So getting that asset allocation decision right is actually the key."

"I'm pretty confident that if I spend 95% of my time on stock picking that is not the right decision," Bradford argues. "I should rather be spending 90% of my time getting the bigger picture, long-term asset allocation correct and adjusting that on a periodic basis."

Serving the investor

That is because asset allocation is the only way to generate long-term returns that meet a goal-based objective. Even the best stock pickers cannot eliminate the effects of persistent poor performance in an asset class or sector. The long-term returns of mining and resource funds in South Africa is a perfect illustration of this. Their performance has been poor not because they are badly managed, but because the sector has been depressed.

Comment

Just something to make you consider what the PIC should really be doing.

The GEPF AMAGP: Invitation

GEPF members, either still working or pensioned, are cordially invited to join the GEPF Monitoring Group/AMAGP. We always need members and co-workers, all contributing to the cause and, of course, it is in their own interest.

Soos meeste staatsdienspensioenarisse is u waarskynlik afhanklik van u maandelikse pensioen

vir die gehalte van u lewe. Agv die swak toestand van regering in die RSA, die aantreklikheid en omvang van ons Fonds asook staatskaping [nog nie heeltemal weg nie], ontstaan die vraag hoe volhoubaar die pensioen is en gaan bly, dws hoe lank gaan ons nog die volle pensioen bly kry. Ons by die AMAGP se oorwoë mening is dat daar wel gevare is en dat ons, die aandeelhouers van die pensioenfonds, dringend hieraan aandag moet gee. Verontagsaming hiervan kan lei tot 'n soortgelyke situasie as dit waarin Spoorweg pensioenarisse hulle steeds bevind. Om die rede versoek ons dat u ons ondersteun. Sluit aan by die AMAGP, 'n vrywillige organisasie, bestaande uit staatsdienswerknemers en -pensioenarisse, met die doel om ons Fonds te beskerm.

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If you are interested in becoming a member of the organisation, please complete a membership application to be found on the FB page or on the website.

Semper Vigilans!

CONCLUSION

To reflect about...

Dear Reader,

1. The AMAGP endeavours to ensure the sustainability of the GEPF to the benefit of current and future members of the GEPF. We want many more members for logical reasons – to provide the 'voting power' to ensure the GEPF Trustees carry out their assigned roles.

2. The MG was established in 2016 as a voluntary organisation and, as the AMAGP, will remain so for the foreseeable future. The AMAGP maintains good relations with the GEPF Trustees as well as the PIC. The AMAGP is also in continuous communication with other stakeholders and interested parties to ensure the widest possible concern for our current and future pensioners. This increasingly includes members of parliament on all sides of the political spectrum,

as soon as they realise their voter's pension is endangered.

3. Although until recently [about 2013] the GEPF performed satisfactory in its endeavour to provide sustainable pension benefits to pensioners and future beneficiaries, SC and its resultant tentacles started reaching out to the GEPF and PIC and created alarm. The blatant SC leading inevitably to degrading our democracy and the resultant downgrade in international financial grading still threatens our GEPF's sustained viability, including those very same politicians who eventually want to retire on pension. As SC recedes other dangers threaten our Fund, such as the non-performing SOE and bankrupt municipalities that the government wants to use our Fund to fund.

4. The financial woes of ESKOM, SAA and other SOE [PETROSA, PRASA, Transnet, etc] feature largely, making looting the GEPF very attractive.

5. In conclusion dear reader, decide if you want to risk the retirement you are excited about, to be similar to other departed and failed pension funds, or are you prepared to become a paid up member of the AMAGP? Litigation and court interdicts are expensive, although we haven't gone that far yet.

Comments, articles and recommendations about and for the newsletter are welcome. No anonymous submissions will be accepted; however, names may be withheld on request.

Please submit to: editorgepfmg@gmail.co.za

VRYWARING

Die AMAGP maak die Nuusbrief beskikbaar as 'n diens aan beide die publiek en AMAGP lede.

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