Association for Monitoring and Advocacy of Government Pensions (AMAGP)

NPO Registration No: 198-822

SEMPER VIGILANS

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 GEPF and sustainability of its return on investments.

www.amagp.co.za

GEPF Watchdog - Waghond

GEPF your investment, your future

NEWSLETTER NO 3 of 2019

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

"The GEPF now has R1,8 trillion assets under management, up 8,3% (R1,7 trillion) from 2017. There are 1 273 125 active members, and 450 322 pensioners and beneficiaries." Moneyweb, 10 December 2018

The Editor's Word

The newsletter starts with an unattributed and undated article about the route to affluence that took prominent persons to high positions; the other articles and reports describe the scope of the drain on our country's finances that are absolutely incomprehensibly large. With most of them directly influencing the sustainability of our Fund.

Realising the size of the amounts mentioned in the reports below, that effortlessly and seamlessly seem to flow from the Fund to many different well known personalities, we must increase the pressure on all fronts to enable justice to take its course, and recover as much of the millions as possible. We must not slack off now that the Commissions have started to function, otherwise the institutionalised corruption will just be removed from public view but continue unabated until our fund ceases to exist – bankrupt like other instances.

The Finance Minister evidently offered early retirement to public servants in order to reduce the state wage bill. This seems a good idea but should start at the top by ridding the ministerial gravy train of superfluous ministries, black bluelight convoys, and merging their pension fund with the GEPF. Also the GEPF will have to accommodate a bigger pension outflow with the surge of unanticipated retirees and the decreasing Fund ROI.

GEPF Online (@GEPF_SA

2019/02/21, 11:32
Government Employees Pension Fund (GEPF) announced today that an annual pension increase of 5.2% to its pensioners with effect from 1 April 2019. The GEPF has granted this increase to enable pensioners to keep up with rises in inflation.

Editor

Synopsis

STATE CAPTURE: A FRESH VIEW

By Phapano Phasha

Between 1996 and 2005 Finance Minister Trevor Manual was the sole trustee and custodian of the GEPF, which at the time of inception had assets close to R200 billion. As a sole trustee of the GEPF, Mr Trevor Manual did not report or account to anyone but himself. To this end there was no Board or governance and, therefore, Mr Manual had the sole discretion of how employees' pension funds would be invested.

However, in 2002 a tender for actuarial services was advertised and eventually awarded to Alexander Forbes. Alexander Forbes then proceeded to sell 30% of its shares to an empowerment group that was called Millennium Consolidated Investments (MCI) which was incorporated in 2001, a year before the invitation to tender came out. This company belonged to the current President of the ANC and South Africa, Cyril Ramaphosa.

Before 'buying' 30% of the Alexander Forbes shares and thus getting first hand access to the funds of the GEPF, Ramaphosa was just another BEE proxy from the governing party who subsequently managed to buy more than 27 companies post 2003, which turned him into an instant billionaire. To strengthen the argument, according to a 2006 article by the Mail & Guardian titled 'Anatomy of Fast Money', the sudden wealth which was concentrated amongst a few new colonial elites, like Ramaphosa, was not due to hard work but to connections to the ANC, patronage and friends in government, which in turn led to Ramaphosa acquiring some of the following:

- April 2003: 16% of Alexander Forbes, now worth R1,1-billion.
- July 2003: 14,4% of Bidvest, worth R706-million.
- July 2004: 1,2% of Standard Bank, worth R1,1-billion.
- August 2004: 42% of Mondi Shanduka Newsprint and 40% of Mondi Packaging, worth about R980 million.
- November 2005: 11,74% of Assore, worth R394-million
- November 2005: 1,5% in Liberty Life, worth R299-million.
- May 2006: 25% of Downing, Reynard and Associates (unlisted)
- July 2006: 40% of Kangra Coal…Source (Mail & Guardian)

It is quite obvious to any student of geopolitics that the rise and rise of President Ramaphosa was sparked by him acquiring the shares at Alexander Forbes. This brings me to the rationale on why President Ramaphosa must extend the terms of reference of the Commission of Inquiry into the PIC.

It will be an injustice if the current terms of reference of the Commission of Inquiry into the PIC are left as they are because for more than a decade Trevor Manual presided over billions in hard earned salaries of government employees whilst Ramaphosa became deputy. Hence to only focus on the investment decisions taken by the former CEO of the PIC is quite frankly opportunistic and self serving. South Africans have every right to know which companies and individuals benefitted during the tenures at the GEPF of Trevor Manual and President Ramaphosa, especially since there was no Board or governance in place at that time.

Another factor is the conflict of interest regarding both President Ramaphosa and Mr Manual which necessitates an investigation if President Ramaphosa directly used his position as a shareholder at GEPF to get capital injection into his own companies and the same applies to Trevor Manual, which also falls under the ambit of state capture.

The investment decisions by both Manual and Ramaphosa, each in their capacity as custodian of the GEPF, must also extend to the likes of Zanele Mbeki, Tokyo Sexwale, Saki Macozoma, Frank Chikane, Jay Naidoo, Kelso Gordian, Cheryl Carolus, etc. To this end the Commission of Inquiry must assess whether they received, or legitimately received, any capital injection through the GEPF. Moreover, the conduct of the likes of Johan Rupert, Christopher Wiese, Johannes Mouton, Stephen Koseff and Markus Jooste, who used the funds of the GEPF through their asset management companies, which sub-contract to the PIC, to inject capital into their own businesses, must be inquired into.

It is, therefore, not surprising that the post 1994 Afrikaners, especially the Stellenbosch and Paarl gang, have become richer than they were during apartheid. It's precisely because Manual and Ramaphosa literally handed them the pension funds of black employees without any competition from black owned asset management companies.

The PIC has literally become a piggy bag for the private sector and politically connected elite who don't have to work hard to earn their wealth – but simply abuse and misuse money that belongs to workers, many of who are living from hand to mouth. Unfortunately, unions like COSATU, including NUMSA, have never been vocal on this slave trade transaction because they are part and parcel of the same private sector which has perfected monopolising public funds to feed the private sector.

In essence state capture and exchange of capital between the blue eyed boys, the Broederbond and the new colonial elite, was very systematic and structural. What is quite obvious is that this gang has been very sophisticated whilst using all sorts of treacherous and deceitful means to gain proximity to government coffers in order to empower itself and its family.

This is sheer state capture which has taken centuries to perfect and in its collapse, we must never allow it to use Dan Matjila as collateral damage…

Comment
The source isn't available yet but it makes for such fascinating reading that we can't let it pass unused. It would be even more interesting if the acquisitions by the other parties mentioned were public too, as well as the source of the money used to purchase all these shares.

Synopsis
EDITORIAL Financial Mail

How politicians turned the PIC toxic

It seems that each new incoming head of state has felt the need to appoint his own leadership at the PIC

29 November 2018

The departure of PIC CEO Daniel Matjila in murky circumstances is cause for concern. More so because Matjila is not the first to leave under unexplained circumstances. Nor is he the first to leave his post before his contracted term of office expired.

It was the same story with Matjila's immediate predecessor, Elias Masilela, who resigned and left with immediate effect in June 2014. Masilela had been in the position just over three years, cutting short his five-year contract. As with Matjila, no reasons were given for his abrupt departure. And yet both of those executives should have given six months' notice.

In fact, look back further and you'll see that not a single CEO of the PIC in SA's democratic era has served out the contracted term. Disturbingly, it seems that each new incoming head of state has felt the need to appoint his own leadership at the PIC. Brian Molefe, for example, served under Thabo Mbeki and Trevor Manuel; Masilela and Matjila served under Jacob Zuma and Pravin Gordhan. President Cyril Ramaphosa will now get his own CEO at the PIC. Whether this is all mere coincidence is not clear.

So, in some sense, we can trace the instability at the PIC to the enormous power that politicians wield over office-bearers who should be independent. As it stands, the finance minister has the sole power to appoint the Board, as well as the CEO and the CFO.

It's clear that politicians have far too much influence over the PIC, yet with no accountability. This influence has been abused in the past, and probably will be again. So now is the perfect time to fix this. Perhaps for a start, we could allow the beneficiaries and investors to appoint their own representatives to the Board.

Comment
Political control over such a large fund is a fact'. In the wrong hands it will destabilise the financial sector; it It already has as we can see from the downward spiral in ROI.

Synopsis
OPINION

ALLAN GREENBLO: PIC's conduct in SA Home Loans deal needs scrutiny

Former CEO Dan Matjila's name crops up in a case that raises questions of how the PIC selects BEE partners.

It seems there has been an attempt by the PIC to play fast and loose with monies of the GEPF and very few have noticed. The particular matter concerns unlisted company SA Home Loans (SAHL). The experience at SAHL invites examination into whether there were similarly curious elements in transactions that might have been avoided had the PIC been required to seek approval from the GEPF Trustees.

It also raises broader questions of how the PIC selects BEE partners to co-invest with the GEPF, and, in this instance, the real motive for a PIC instruction to an investee company that it pay R45m to a third party that had added zero value to a BEE transaction.

That the claim for payment of R45m was eventually negated is to the credit of Standard Bank, not to the PIC. The intended beneficiary of the R45m was one Kholofelo Maponya.

For background, the Durban-based SAHL was founded 20 years ago. A specialist provider of mortgages, it's considered a highly competent competitor in the SA home loans market, with national reach and a strong management team.

Until 2015, SAHL was jointly owned by banks JPMorgan Chase and Standard. JPMorgan Chase then agreed to sell its 50% stake to the PIC, representing the GEPF, for R300m. Prior to sale the PIC introduced a consortium assembled and controlled by Maponya for half of the PIC's stake to be acquired; in other words, for 25% of SAHL. The PIC lent the Maponya consortium the money for its share of the purchase price.

At the insistence of Standard, which continues to own 50% of SAHL, the GEPF was bound to guarantee the discharge of all obligations assumed by the indebted Maponya consortium as an SAHL shareholder. Maponya, it's understood, told the bank that he and his consortium were selected as the BEE partner because of his personal relationship with then PIC CEO Dan Matjila.

On the transaction being concluded, the PIC nominated two directors to the SAHL Board. Maponya nominated himself to represent his consortium.

The PIC's stated investment purpose was to use SAHL as a vehicle for the channelling of home loans to GEPF members. Consequently, in 2016, the PIC agreed that the GEPF would make available to SAHL up to R9bn for onward lending that provided GEPF members with mortgages.

But before the ink had dried on this contract, Maponya demanded a R45m payment from SAHL, ostensibly because it was his relationship with the PIC that had brought about the loan agreement.

SAHL rejected Maponya's demand on the grounds that he had no mandate to represent SAHL. Moreover, he had not been promised any such reward. Neither had he played any role in the initiation, negotiation and conclusion of the loan agreement.

To the surprise of SAHL, Maponya then delivered a letter from the PIC signed by Matjila. The letter informed SAHL that the GEPF had ceded to a private Maponya-owned company a claim that the GEPF had to receive R45m from SAHL under the loan agreement. Therefore, said the PIC letter, SAHL should pay the R45m to Maponya's company and not to the GEPF.

The letter was referred by SAHL to Standard in its capacity as a 50% SAHL shareholder. The response of senior bank executives was to inform Matjila that, in all the circumstances, Standard regarded the transfer of a pension fund's assets by cession to a third party – which had provided no value – as possibly irregular if not suspicious. Accordingly, the bank would oppose any payment in terms of the cession unless and until the PIC had demonstrated that the cession had been approved by the GEPF Board.

Shortly thereafter, SAHL received a response from the PIC. In this letter, also signed by Matjila, it was stated that the GEPF owed nothing to Maponya's company. It further stated that the deed of cession should not have been signed (by Matjila). The deed of cession had thus been unilaterally cancelled and in future SAHL should ignore it.

It's believed that the PIC-nominated directors on the SAHL Board were fully engaged in this sequence of events but have offered no explanations beyond the contents of the letters.

Allan Greenblo is editorial director of Today's Trustee (www.totrust.co.za), a quarterly magazine mainly for principal officers and trustees of retirement funds.

Comment
What can we say? The part played by Matjila is clear. And Standard is to be commended for doing what is right.

Synopsis

A'yo goin' down, Dr Survé?

30 January 2019 **Sam Sole**
Fin24

Iqbal Survé is in trouble.

The Commission of Inquiry into affairs at the PIC has driven a spike through the heart of the PIC's controversial R4,3bn investment into Ayo Technology Solutions, the IT group in which Survé holds a large indirect stake.

The PIC's head of internal audit, Lufuno Nemagovhani, only gave limited evidence last week because both he and the commission's investigators are still probing the Ayo deal. But what he did say underlined the accuracy of amaBhungane's previous reporting confirming the Ayo deal involved "blatant flouting of governance and approval processes of the PIC".

The PIC previously asserted that its portfolio management committee had met on 20 December 2017 and approved a proposal to take up 100% of a private offering of Ayo shares ahead of Ayo listing on the Johannesburg Stock Exchange.

Nemagovhani's testimony at the commission suggests that the PIC meeting was a stitch-up because the decision had already been made. He said that an "irrevocable agreement" committing the PIC to take up the entire private placement at a cost of R4,3bn was signed on 14 December 2017 and confirmed with the listing agent – all prior to the committee meeting that was supposed to make the investment decision.

At the commission Nemagovhani disclosed that Matjila had already signed documentation to approve payment for the shares on 19 December, though the cash was only transmitted after the meeting of 20 December.

The PIC told us: "PIC's investment in Ayo Technologies is a subject of investigation by the Commission of Inquiry… and a PIC internal investigation. For this reason, the PIC is cautious not to discuss details relating to this transaction and others that the Commission will be looking into."

Khalid Abdulla, chief executive of Ayo's largest shareholder, African Equity Empowerment Investments (AEEI), also declined to respond to questions and referred us to a press statement".

Ayo did not respond to questions.

Matjila told us: "You would appreciate that by now Judge President Lex Mpathi is conducting an inquiry on this and other matters. I have committed to make the submission on the inquiry on the matters you are raising. It will be improper for me to communicate such a submission to the media, whilst I am due to appear in an appropriate forum."

Survé did not respond to questions sent to his private secretary.

Preordained
Nemagovhani's evidence supports early allegations from inside the PIC that Matjila was "desperate to have the transaction done" and used his position to achieve a preordained outcome.

Suspicions of an attempted cover-up were boosted when Nemagovhani revealed that the PIC's own internal audit division had also formally flagged the irregularities in reports to Matjila and the Board audit and investment committees as early as May 2018. But nothing was done until a more detailed investigation was ordered by the PIC Board chair, Deputy Finance Minister Mondli Gungubele, in December 2018.

That intervention resulted in Nemagovhani delivering a 94-page preliminary investigation report to the Board on 21 January 2019.

Matjila and those at the PIC are not the ones whose conduct should be investigated. What has emerged is that Ayo appears to have purchased some powerful supporters at the expense of the PIC.

George and Fedusa

One example is Dr Dennis George, the general secretary of Fedusa. George has been one of Matjila's staunchest supporters, both publicly and behind the scenes.

As recently as last week, following the revelations at the PIC inquiry, George was on the line to *The Money Show*'s Bruce Whitfield, defending Matjila, criticising the PIC Board and praising Ayo, where he has been a non-executive director since 20 August 2018.

What George did not disclose was that Fedusa was one of the unions cut in to a pre-listing deal where they were gifted millions of Ayo shares at a price of R1,50 per share – while the PIC was charged R43 per share. Other cut-price beneficiaries included the SA Clothing and Textile Workers Union, Popcru, the Black Business Council and something called the Social Entrepreneurship Foundation. That much was publicly disclosed in the prelisting statement.

The injection of the PIC's R4,3bn immediately raised the net asset value per share to R12,47. On a R1,50 investment per share, beneficiaries made an immediate gain of nearly R11 per share.

Lucky Fedusa!

What was not disclosed was that George appears to have been cut in personally.

Share-holding records seen by amaBhungane show that a company called Difeme Holdings was part of the pre-listing BEE bonanza and got 3 million shares at R1,50. George is the sole director of Difeme and is described elsewhere as its "managing director".

Contacted for comment, George replied: "Your scenario is incorrect or you are incorrectly briefed… Fedusa does not have shares. Difeme is a nominee company…" We asked him: "Who is the beneficial owner of Difeme? You are listed as the sole director."

He did not reply.

Contrary to his avowal, the records seen by amaBhungane list Fedusa as having a separate shareholding of just over eight million shares in its own name.

If George is indeed the beneficial owner of Difeme, then he picked up a cool R900 000 when Ayo declared a first dividend of 30 cents per share in November 2018.

The dividend was justified based on Ayo's revenue increasing from R478m to R638m, compared with the prior year. What Ayo did not highlight was that the major contributor to that improvement was investment revenue of R226-million from the pile of PIC cash it is sitting on. Without that free cash, the company's revenue would have dropped from R478m to about R412m.

Back to the PIC

Ayo was this week trading at under R22 per share, meaning the PIC's R43 per share investment is worth half what it was.

The real picture is probably much worse because the share hardly trades and the share price is kept artificially high. On Monday, open market offers for Ayo stood at just over R4 per share. The only people that have been buying in significant volumes at a much higher price appear to be related parties.

Artificial trades

The significance of the artificial way the share has traded since listing gains importance in the light of the belated attempt to protect the value of the PIC's investment in Ayo.

Internal PIC documents show that there was concern expressed whether the valuation of R43 per share was sustainable. As a result, the PIC investment committee insisted, as a condition for investing, that an agreement should be put in place to protect the PIC in the case of the share losing value after listing. However, the intense pressure on the PIC meant that no agreement was even attempted prior to the money being paid out.

Just what a weak bargaining position this left the PIC in is demonstrated by the agreement eventually structured between the PIC and AEEI Corporate Finance in August 2018, long after the listing.

But the terms of the agreement underscore the weakness of the PIC's position:

- The protection is only valid for 12 months after the listing date – meaning it expired already on 21 December 2018;
- The compensation to PIC is limited to a maximum of R1-billion – it invested R4,3-billion – and may be paid up to 50% in Ayo shares rather than cash;
- The protection is only valid for one claim within 30 days of the signature date of the agreement – and the PIC would not divulge when the agreement had actually come into force, if at all; and
- The protection for an investment at R43 per share only kicks in when the average Ayo share price falls below R30 (and for at least for 90 days).

Although the Ayo share price appears to have stayed below R30 per share since mid-September, the PIC would not disclose whether it ever invoked the penalties contained in the agreement and, if not, why not.

The amaBhungane Centre for Investigative Journalism, an independent non-profit, produced this story. Like it? Be an amaB supporterto help it do more.

Comment
The full report in Fin24 explains the artificial trading that keeps some kind of movement in the shares. Briefly, shares are bought and sold between Survé related companies. Also, any dividend would have delivered an appreciable ROI to the PIC, but not making up the discrepancy in initial and current share value.

Synopsis

CEO Dan Matjila's friendship with Survé behind bad PIC investments, claims suspended staffer

By Greg Nicolson 30 January 2019

Daily Maverick

PIC Inquiry chairperson Lex Mpati has repeatedly called for anyone with information about impropriety at the PIC to come forward. On Wednesday, assistant portfolio manager Victor Seanie did just that, barely a week after he was suspended from the asset manager.

In his explosive testimony, Seanie said former CEO Dan Matjila's alleged friendship with controversial businessman Iqbal Survé may have led to some of the PIC's most controversial investment decisions in recent years as executives have ignored advice from staff.

Seanie, an assistant portfolio manager in non-consumer industrials at the PIC, said he worked closely on the Ayo deal as well as Sagarmatha. While Seanie researched the proposed investments and compiled reports for decision-making, he said PIC executives ignored his advice against investing in Ayo and Sagarmatha and dictated report summaries and recommendations.

Ayo wouldn't allow the PIC to negotiate its requested R43 per share, which the PIC would normally do. Ayo leaders appeared to know the deal was going through before it did and it was eventually signed with insufficient due diligence and without the portfolio management committee's approval, Seanie claimed.

Seanie said it appeared Matjila wanted to help Survé raise funds to cover the R1-billion the PIC invested in Survé's Independent Media.

"It seems to be that there's that relationship between Dr Iqbal Survé and Dr Daniel Matjila whereby Dr Dan always takes a favourable view and is willing to help Iqbal Survé from the PIC in order to do deals, in order to raise money," said Seanie. "One version, which is a plausible version, is that Iqbal Survé has this big loan, I think in excess of R1-billion that he owes to the PIC, and he's struggling to pay it because it's underpinned by a loss-making business and he is trying to find ways to get money out of the PIC and inventing and coming up with different business ideas to do that."

Learning from the poor Ayo investment, Seanie said his team was not willing to let PIC executives override their analysis and invest between R3-billion and R7,5-billion in Sagarmatha, again closely linked to Survé.

Survé has been approached for comment but was yet to respond.

Comment
What the AMAGP has been campaigning for and warning against is becoming ever more real. The murky dealings, which seem to be the basis of the billion-Rand-level activities at the PIC, can form the core of several faction thrillers [if you use my idea I am entitled to commission!].

Synopsis

PIC Board was split on how to deal with Dan Matjila controversy, probe told

29 January 2019 Warren Thompson
Business Day

The Board of the PIC was divided over how to handle allegations of impropriety levelled against former CEO Daniel Matjila. "There were very divergent views on how to deal with the allegations," said Claudia Manning, who testified before the Mpati Commission of Inquiry on Tuesday. Manning served as a nonexecutive director at the PIC from December 2015 to July 2018.

In Manning's account of the Board's deliberations, someone proposed commissioning an external independent investigation into the matter. The way forward was "debated at length" before it was decided the company's internal audit team would be asked to verify and authenticate the documents that had been provided by management in their representations to the Board.

But the decision to appoint the PIC's internal audit team was curious. In testimony given last week, the executive in charge of internal audit, Lufuno Nemagovhani, told the commission he had specifically requested the assistance of an external specialist. "I indicated that the nature and complexity and level of this matter (Board level), we [internal audit] will assist but we would like to outsource these matters to be dealt with by an external, qualified person," Nemagovhani said.

Manning also described how unhappy the GEPF was with developments at the PIC. "In March 2018, the GEPF made clear its concerns that there was not alignment between what they wanted and what the PIC was doing." The GEPF wanted the role of chief investment officer to be "re-created", Manning said. The GEPF also wanted all deals above R2bn to be referred to them for approval.

thompsonw@businesslive.co.za

Comment
It seems the Board indeed carries out due diligence, but we want it to be more visible and with teeth. The PIC CEO seems to have been a law unto himself.

Synopsis
BizNews

Firewall the PIC against politicians – Mpati probe is told

30 January 2019 by Linda van Tilburg

LONDON — There seems to be no doubt that the PIC made mistakes. They got it wrong with Steinhoff, the R4,3bn backing of Ayo Technologies has been questioned and the investment of R90bn in Eskom bonds have been described as "reckless" by former Board member Claudia Manning in testimony to the Mpati Commission. Manning told the commission that the PIC would be better served by seasoned executives on its Board "than serving politicians". She suggests that the PIC "can still be held to account by treasury through…rigorous oversight"; the Deputy Finance Minister should not chair its Board. An interim report will be handed to President Ramaphosa by mid-February. – Linda van Tilburg

By Janice Kew

(Bloomberg) – The PIC would be better off without the country's Deputy Finance Minister chairing its Board because it inadvertently exposes the continent's biggest money manager to the perception of political interference, a former Board member said.

The PIC "can still be held to account by treasury through the rigorous oversight that National Treasury already provides over its financial performance, without having a serving politician on the Board," former Non-

Executive Director Claudia Manning told a Commission of Inquiry on Tuesday.

Further, the fund manager would benefit from a "practice common to many commercial financial institutions to invite independent, seasoned, often retired executives to act in an advisory capacity to management, especially when complex transactions are being considered," she said.

As the most influential investor in South Africa's economy, the PIC is being scrutinised after a year where half the executive committee has been suspended or resigned.

Manning resigned on July 22 after Deputy Finance Minister and Chairman Mondli Gungubele "revealed that he had no confidence in the Board and in fact accused it of having acted improperly,".

She also recommended that the PIC's Board, through the investment committee on which she also served, be given a "greater line of sight into investment decisions." Issues of concentration risk, changing the delegation of authority and single-borrower limits were frequently discussed by the investment committee and "several pieces of work were in progress around strengthening the overall risk framework," Manning said.

Comment
Clear comment by a former Board member, aimed at ensuring the Board does what it is supposed to do.

Synopsis
PIC completes its Vodacom deal

3 December 2015 Dineo Faku

Johannesburg - The PIC yesterday said it had completed its acquisition of the government's 13,9% stake in mobile giant Vodacom, bringing its ownership of the operator to 15,3%. The PIC first announced the deal in July following the government decision to sell non-core assets, towards funding the R23 billion bailout of state owned power utility, Eskom.

The PIC chief executive said yesterday that the deal would help diversify its portfolio in line with its investment strategy. In addition, its clients stood to benefit from this transaction as Vodacom is a well-managed blue-chip South African company with credible exposure in the rest of Africa and its operations are underpinned by its strong corporate governance practices.

"The PIC is an investor with a tilt towards developmental investing and with this transaction we know that it will not only bring about the requisite financial returns, but it will also contribute towards our social returns objectives," Matjila said. Vodacom said yesterday that it had received formal notification from the PIC, which had acquired a further interest of 6.8% stake in the company, thereby increasing the total held by the PIC to 15.3%.

In July, the Treasury said the sale of the Vodacom stake was the most viable option for ensuring that the government was able to swiftly realise the proceeds and inject equity into Eskom to bolster the utility.

Comment
Looking at the date of the deal, it should be clear that the government and Eskom knew of Eskom's problems; it took till 2018 for both to do something about it.

STATEMENT NO.4.F
BY AP STEMMET
SPOKESMAN ASSOCIATION FOR THE MONITORING AND ADVOCACY OF THE GOVT EMPLOYEES PENSIONFUND. (AMAGP)
CAPE TOWN
3 FEBRUARY 2019

GEPF: SHORTCOMINGS IN THE 2017/18 ANNUAL REPORT.

THIS IS A FURTHER INSTALMENT IN RESPECT OF THE ANALYSIS OF THE 2017/18 ANNUAL REPORT OF THE GEPF BY MR CHRISTO VAN DYK.

IN THIS INSTALMENT HE REFERS TO PREVIOUSLY EMPHASISED SHORTCOMINGS REVEALED ABOUT THE 2017 REPORT AND SHOWS US TO WHAT EXTENT THEY WERE REPEATED IN THE 2018 REPORT.

BEING KNOWN TO BE AN AUDITOR OF FEW WORDS IT IS SIGNIFICANT THAT HIS REPORT REQUIRED COVERAGE OF 26 PAGES. MR VAN DYK WILL TESTIFY BEFORE THE PIC COMMISSION.

IN PART II OF THIS DOCUMENT WHICH WILL BE ISSUED LATER, VAN DYK WILL DISCUSS THE TRUTHFULNESS OF CERTAIN "FACTS" AS PROVIDED BY THE GEPF, THUS ENABLING MEMBERS AND THE PUBLIC TO MAKE THEIR OWN INFORMED DECISIONS.

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VERKLARING NO. 4
DEUR A P STEMMET
SPREEKBUIS: VERENIGING VIR DIE MONITERING EN BEVORDERING VAN DIE STAATSDIENSWERKNEMERSPENSIOENF ONDS (AMAGP)
KAAPSTAD
3 FEBRUARIE 2019

GEPF: TEKORTKOMINGE: 2017/18 JAARVERSLAG.

HIERDIE IS N VERDERE AFLEWERING VAN DIE ANALISE VAN DIE 2017/18 JAARVERSLAG DEUR MNR CHRISTO VAN DYK.

IN HIERDIE AFLEWERING HERINNER HY ONS AAN DIE TEKORTKOMINGE WAT IN DIE 2017 VERSLAG WEERSPIEEL WORD EN WYS HY OOK UIT HOE DIT IN DIE 2018 JAARVERSLAG HERHAAL IS.

DIT HET HOM 26 BLADSDYE GENEEM OM DIE LESER SO IN TE LIG TEN SPYTE DAT HY N OUDITEUR VAN WOORDE
IS. DIT MOET DIE LESER IETS WYS MAAK.

MNR VAN DYK SAL VOOR DIE OBK-KOMMISIE GETUIG.

IN DEEL II VAN HIERDIE DOKUMENT, WAT LATER UITGEREIK SAL WORD NADAT ANTWOORDE, INDIEN ENIGE, VAN DIE GEPF ONTVANG IS, NAGEGAAN IS OM FEITELIKE KORREKTHEID TE VERSEKER SODAT LESERS HUL EIE INGELIGTE GEVOLGTREKKINGS KAN MAAK.

A P Stemmet
Spokesman/Spreekbuis: AMAGP
Durbanville

Comment
No, Christo's analysis isn't in the Newsletter, which would add 20 pages. It is available on the GEPF website. Let me assure you, his analysis is very thorough and focused on the GEPF [lack of] sustainability. Very real and actual analysis.

Synopsis
PIC Board's demise clears way for proper probe
COMPANIES
4 February 2019 Sizwe Dlamini and Adri Senekal De Wet

CAPE TOWN – The en masse resignation by the PIC Board is widely expected to provide an opportunity for the ongoing investigation to continue without any impediments. The PIC Board presented a joint letter of resignation on Friday after learning during a scheduled Board meeting that the Minister of Finance Tito Mboweni had lost confidence in the Board and had decided to dismiss it.

While at the Cabinet Lekgotla the Minister, according to sources, was informed of emails sent by a whistleblower making startling allegations of illicit deals amounting to more than R6 billion, implicating at least four Board members. The emails, shared by one James Noko, mentioned the PIC chairperson Mondli Gungubele, acting chief executive Matshepo More and Board members Sibusisiwe Zulu and Dudu Hlatshwayo.

The minister called the PIC chairperson and informed him of his resolve, after which the Board held an in-camera meeting and submitted its resignation. This move has, however, been met with mixed feelings by interested civic organisations with Nehawu welcoming the resignation.

"The national union holds a strong view that the Board's resignation will provide an opportunity for the ongoing investigation to continue without any impediments." "Without the Board, which might be complicit in acts improprieties, the judicial Commission of Inquiry can now focus on performing its duty of unearthing the truth in relation to the corruption and improprieties that have taken place at the state asset manager that has led to it haemorrhaging workers hard-earned pension funds," the Union said in a statement on Friday.

Meanwhile, the National Professional Teachers' Organisation of South Africa (Naptosa) expressed dismay at the PIC

Board's decision to resign en bloc. "The reasons advanced by the Board are difficult to accept. Citing instability and an attack on the credibility of the Board, but then through resignation, creating the potential for further instability, does not make sense.

"We would have expected the members to show more resolve and not to be destabilised by what is, at this stage, mere allegations of impropriety against certain of them," Naptosa said in a statement on Friday.

No questions are being raised about the PIC's interests in Steinhoff International, Harith General Partners, Erin Energy and S&S Oil Refinery, which have all made losses amounting to billions of rand.

Noko alleges that since the appointment of More as acting chief executive, it has become common knowledge in the transaction market that if you want any deal to be considered by the PIC you need to seek a meeting with Zulu's boyfriend, Laurence Mlaudzi, who will then talk to both More and Gungubele to get the go ahead.

Zulu, who is a niece of former ANC treasurer-general Zweli Mkhize and an acting judge in KwaZulu-Natal High Court, is alleged to have approved transactions for Mulaudzi to the tune of R6 billion. These allegedly include the controversial Total deal where Mulaudzi was paid R100m for facilitation of which R40m was paid to Zulu.

Noko has said he would release even more emails implicating more current and former PIC top brass in illicit transactions for personal gain.
BUSINESS REPORT

Comment
The involvement spiral is ever widening but bringing the involved to account and getting the money back isn't going to be quick.

Synopsis
BizNews
Wake up call for PIC to depoliticise or risk its investments
5 February 2019 by Gareth van Zyl

JOHANNESBURG — The PIC's deals in recent years are firmly under the spotlight as a crisis unravels at the money manager. A key problem with the PIC is that it's become custom for the Deputy Finance Minister to be chair of the organisation. According to some experts, this needs to stop as it introduces a political slant into the organisation. The only irony here is that it's the Finance Minister himself who is in charge of ultimately appointing a new Board at the PIC. It, therefore, begs the question as to whether the PIC can ever truly be independent? – Gareth van Zyl

By Janice Kew and John Bowker

(Bloomberg) – A deepening crisis at South Africa's biggest money manager is threatening to cast a pall over the economy and throw into doubt potential deals, including the bailout of one of the nation's largest clothing retailers.

Nine PIC directors quit on Friday, saying the institution overseeing the pension funds of most South African civil servants has entered a "state of paralysis" following misconduct claims against some Board members. Finance Minister Tito Mboweni has started the process to appoint a new Board, a spokesman said on Monday. The outgoing directors have said they will stay on until new ones have been appointed.

"The PIC is central to South Africa's economy," Patrick Mathidi, head of equities at Aluwani Capital Partners, said by phone from Johannesburg. "The whole situation at the PIC is a concern."

Political interference
The PIC's chairman has historically been the country's Deputy Finance Minister, in this case Mondli Gungubele, one of those who resigned on Friday. That's raised the question of how much political influence affects decisions.

A former PIC Board member last week told a Commission of Inquiry that the money manager would be better off without ministers on the Board, while a representative of a local pensioners group said the PIC has "no mandate to invest in politically driven investments that yield no returns."

Fears that South African lawmakers have had too much influence have reared their head in the past, notably when PIC bought a state-owned stake in wireless carrier Vodacom at a discount, so the government could fund Eskom.

Criminal activity

"Pension money is sacrosanct – you don't gamble with it and once you start fiddling around with that for personal or political gain, it's criminal," said David Shapiro of Sasfin Holdings in Johannesburg, who has been trading stocks in the city since 1972. "A Board is vital in order to have some oversight and to ensure bad practices don't continue."

Other than Edcon, recent deals led by or involving the PIC include the acquisition of a majority stake in Karan Beef, the world's biggest single-site feedlot. The money manager also built a stake last year in engineer Murray & Roberts Holdings Ltd., helping to thwart a takeover attempt by Germany's Helmig family, and was pivotal in fighting off a Chilean pursuer of South African drugs company Adcock Ingram Holdings Ltd. in 2014.

In the past year, half of the PIC's executive committee have been suspended or resigned, including Matjila. Not all investment decisions will be immediately affected by the Board's walkout. Even so, it "gives great comfort to all stakeholders when all key governance structures are in operation to provide oversight to executives," which isn't happening, Mathidi said.

Comment

Confirming the previous report, with some added information.

Synopsis

Magda Wierzycka: Unpacking PIC whistleblower's document which names the plunderers

6 February 2019 by Alec Hogg

LONDON.

Polish-born Magda Wierzycka as a qualified actuary and successful entrepreneur possesses the technical skills to understand financial complexities and the independence to speak out on it. So when a whistleblower at the PIC decided on the recipients for dynamite disclosures, it was rational for them to include Wierzycka on their distribution list. South Africa's most recently opened Pandora's Box is baffling the casual observer. In the 800 words that follow, in a way we can all understand, Sygnia's founder unpacks what was going down at the institution entrusted with managing the retirement savings of millions of State employees. Superb. – Alec Hogg

By Magda Wierzycka*

An incredible document found its way into my inbox. So incredible, in fact, that I had to get my thoughts on paper as I scrolled through the pages.

Let me state upfront that it is a PIC document marked "Private and Confidential". However, as it has obviously been circulated widely, the confidentially part is moot. The document summarises the transactional and advisory fees paid by the PIC from 2014 to 2018 to various financial firms in relation to various transactions. The total comes to a staggering R960m.

To be fair, many of those costs relate to legitimate brokerage fees and JSE trading costs incurred in the purchasing and selling of shares, and were paid to well-known stockbrokers. For instance, and as a representative benchmark, JP Morgan was paid R6,2m, Investec R6,1m and HSBC R300 000. The BEE-rated stockbrokers got a bigger slice of the pie, with Taquanta earning R10,2m, Vunani R25,2m and Legea R27,5m. But all of this was chump change relative to other amounts paid to completely unknown entities for a range of questionable and badly defined services.

Symphony Capital

Let's start with the highest number, R192,8m paid to that "eminent" firm, Symphony Capital Advisory Services, for "structuring, advisory, execution and implementation" services. In my 20 years in financial services, I have never come across Symphony in any shape, size or guise. The website is worth a visit though, as it looks like a ready-made template one can purchase for $60 online. Not a word about who is behind Symphony. Lots of verbiage about “the art of structuring”. Art indeed. For the price they charged, it must have been a Picasso.

Next down the line is R110m paid to Mergence Africa Capital for “deal structuring and derivative structure”. I know Mergence as a small, boutique BEE asset manager. I have never encountered them as corporate deal structurers of anything. Another flimsy website. A few pages of nothing. You would think that, after earning R110m, they could at least afford a graphic designer. Symphony and Mergence pocketed R203m for advising the PIC on its clearly “very complex” investment in Vodacom.

The next “advisor” is more sneaky. So sneaky, in fact, that it deserves a separate section in the report. The section, headed Transactional Advisors (Listed Investments), refers to a committee requesting details of all fees paid to Nana Sao, Sao Capital and any related entities, in relation to the MTN Nigeria, Angola Government Bond, the Kenyan Energy Fund Company and other transactions. I assume the committee is a standing committee on public accounts, a possible procurer of the report.

The amounts are detailed in a table and come to R367,7m, with R64,2m going to Sao. Some camouflage is attempted in presenting the number as “other advisors” are also listed, namely Symphony, Renaissance Capital, Mergence and the obscurely named DM5, White & Case and Templers. Needless to say, not one of these names rings any bells in this church. The fees are described as being “advisory and referral fees”.

The mysterious Nana Sao

The payments to Sao are annotated as having taken place between 2015 and 2017, a period that coincides precisely with Dan Matjila’s tenure as the PIC’s CEO. He assumed the position in December 2014. Rumours of a link between a London-based former Goldman Sachs banker, Nana Sao, and Matjila have circulated in financial circles for years. I have been told independently by two investment banks that if you wanted to secure funding from the PIC for a transaction, such as a JSE listing, you were pointed at Nana Sao. After an “advisory fee” had been negotiated, the funding would materialise. Essentially, he seemed to act as a fixer. Some investment banks walked away, others didn’t. As a disclaimer, all this is unverified.

The same model was subsequently used by AEEI in the listing of Ayo Technologies, with AEEI paying itself a handsome advisory fee of R57,7m for securing a R4,3bn PIC investment in Ayo. Rinse and repeat.

An R11,4m “referral fee” was also paid to an anonymous Thirdway Group for an investment in Novare Africa Properties Fund. Novare, last time I checked, marketed itself as an independent consultant to pension funds.

The document details a sad litany of plunder of the PIC’s assets. In all, almost R1bn. By my estimate, more than half unnecessary and unwarranted.

But let me stop for now. I have run out of words, literally and figuratively. I had to limit this article to 800 words – at 799, the words failed me.

Magda Wierzycka is the founder and CEO of the Sygnia Group. You can follow her on twitter at @Magda_Wierzycka. This article was republished with permission of the author. It appeared first in Business Day.

Comment
This litany of millions paid to individuals and businesses continue unabated; how much of this is actually Fund money wasted, that could change the declining ROI/income to a positive trend?

An open letter and response.

Read this first and then the reply from page 15 up to this letter. The email addresses have been deleted for privacy but the address list was voluminous.

From: Adamus Stemmet
adamusp2602@gmail.com
Date: Wed, Feb 13, 2019, 21:27
Subject: Letter to Mr A Sithole Peo, Gepf
To: <abel.sithole@gepf.co.za>
Cc: Abel Sithole Sekr

13 February 2019

Dear Mr Sithole,

With reference to your media statement of 31 January 2019: Some of the contents of the statement are doubtful in the extreme and raise issues and questions.

1) You state, inter alia, that the GEPF supports the establishment of a Commission of Inquiry into matters relating to the PIC. If that statement is factually correct, one might ask why the GEPF has never itself asked for such a Commission of Inquiry to be established.

2) You must have been aware of what you call "allegations of impropriety against certain directors of the Board" (of the PIC). I cannot recollect a single instance over the years where you supported AMAGP in their requests for such a commission. Au contraire, you and some trustees in fact countered our requests, citing the alleged good standing of the pension fund.

3) We submit that the probabilities point to you having known, or at least that you ought to have known or suspected that there were criminal activities going on, e.g. at VBS Bank. If you claim that you were unaware of such activities, it must be said that your monitoring system (if at all you have one in place) failed miserably. However, we assume that you at least had a monitoring system in place as this would be a simple precaution against misuse etc. Be advised that should you, as well as that responsible trustees or your responsible staff members, have known or suspected criminal activities which were not reported, Section 34 of the Prevention and Combating of Corrupt Activities Act, 12 of 2004 will be applicable.

4) We strongly submit that it is unnecessary to delay action, waiting for the specialized unit to combat corruption announced by the President, to investigate. Neither do you have to wait for the outcome of the investigation by the commission on inquiry. Mr Sithole, the President is surely entitled to the support of all of us to root out corruption. You are in an ideal position to lead the way. Will you comply or remain silent, as we have come to expect? We await your response.

5) In your statement you record: "The Board and management of the GEPF takes the fiduciary duties very seriously and is committed to ENSURING THAT OUR FUND CONTINUES TO GROW" (emphasis supplied). During January 2019 we published four media releases containing an analysis of the 2017/18 Annual Report of the GERF by a qualified auditor. In the reports, serious questions are raised, inter alia, about the cashflow and sustainability of the pension fund. Not once did you or any member of the Board of Trustees react to the negative conclusions in the reports, far less dispute it. Also, the actuarial report which you received already in December 2018 already, should have been released by now. Why is it kept so secret?

6) The recurring refrain of the GEPF is that there will not be an impact on our pensions and benefits. This spin has been consistently repeated in the past on every occasion a huge loss to the fund was revealed. Mr Sithole, we may be forgiven if we do not believe this story any longer - not while billions of Rands are flying out the window. We refer to only a few instances: Steinhoff, African Bank, Independent Media and Ayo Technologies. Common sense points in a different direction.

7) Do we have to remind you of the " Private and Confidential" list of the PIC, leaked to Ms Magda Wierzycka? You are in possession of a copy. We have not had any reaction from you so far on this issue. Be certain that this issue wil be raised at some point down the line.

8) We insist that you make your letter, mentioned in paragraph three of your letter, to the PIC available for public scrutiny.

9) We would be interested to learn whether any conditions (including target dates either formal or informal) were put to the PIC Management.

10) Have you considered appointing more asset managers, and specifically persons not politically controlled? You were not present at the meeting of the Standing Committee on Finance on 17 October 2017 when one of your representatives informed the Committee that legislation to achieve this was not necessary, and that a decision by the Board of Trustees would suffice.

11) Which objectives (short, medium and long term) are in place to minimise the risks for GEPF in regard to the important investment role which the PIC is executing as an asset manager and single investor on behalf of the GEPF, in view of the recent allegations that many top officials and some politicians have demonstrated a fundamental lack of integrity?

12) Does the GEPF Management plan litigation against the PIC and individuals

involved in their personal capacities, against the backdrop of serious losses sustained by the GEP Fund, as a result of the mismanagement or misappropriation by the PIC and its officials? Has anything been done to follow up on such improprieties? If no follow up has been done we would insist on the reason for the omission. In the event of relevant legal actions which may have commenced, what has been done by GEPF to enhance the possibilities of success, to advance such legal actions?

The Rule of Law must take its course.

Like your letter, this letter will be released to the media.

Regards,
A P Stemmet
Spokesman: AMAGP
Durbanville

REPLY

From: Abel Sithole [mailto:Abel.Sithole@gepf.co.za]
Sent: Sunday, 17 February 2019 2:16 PM
To:
Subject: RE: Letter to Mr A Sithole Peo, GEPF

Dear Mr Hanekom

If he has a case against me and the GEPF he must report it as I have already requested him to. Nothing feeble about that.

As he already has indicated, The law must take its cause". Until then I will not be entertaining his question in this regard.

Kind regards,

Abel

From: Hermann Hanekom [mailto:afrikanus@intekom.co.za]
Sent: Sunday, 17 February 2019 2:11 PM
To: Abel Sithole <Abel.Sithole@gepf.co.za>;
Subject: Re: Letter to Mr A Sithole Peo, Gepf

Dear Mr Sithole,

I read your response to Mr Stemmet with great interest. Strange as a retired diplomat I found it amusing as you were in a feeble move and tried to shoot Mr Stemmet down in an ancient diplomatic move that holds no water. Please answer Mr Stemmet's questions or are you in the process to cover up the fact that GEPF is illegally, at the expense of the pensioners to who the fund belongs, is going to bail Eskom out.

HA Hanekom (Ambassador retired)

From: Abel Sithole <Abel.Sithole@gepf.co.za>
Date: Sunday, 17 February 2019 at 13:53
To:
Subject: FW: Letter to Mr A Sithole Peo, Gepf

Dear All

You are all recipients of this letter. Here is my response to him in case Mr Stemmet did not send it to you too.

Kind regards,

Abel

From: Abel Sithole
Sent: Thursday, 14 February 2019 7:46 AM
To: 'Adamus Stemmet' <adamusp2602@gmail.com>
Cc:
Subject: RE: Letter to Mr A Sithole Peo, Gepf

Dear Mr Stemmet

If you have any proof of the allegations that you are making, it is incumbent on you that you make such evidence available to the law enforcement authorities or the PIC Commission.

I will not respond to any this.

As you say, "The Rule of Law must take its course."

Kind regards,

Abel

Comment
The normal reaction by the GEPF not to answer questions, very clearly stated by Mr Sithole

Synopsis
Business

A Scandal That Risks South Africa's Future

The company that holds $150 billion in government pensions has been hit by accusations.

By Janice Kew
13 February 2019

South Africans are accustomed to government mismanagement and corruption. They've suffered for years from periodic blackouts at state-owned power utility Eskom, seen money flow out of the national airline and are routinely asked to pay off cops who've pulled them over.

The latest scandal, though, has the potential to reach wider and deeper. It's about whether the company that manages $150 billion of retirement funds for more than 1,2 million government workers has invested its money properly—a question that could touch every taxpayer in Africa's most industrialised economy.

The unfolding crisis at the PIC shows just how deep South African President Ramaphosa will have to dig to eradicate endemic corruption and restore the reputation of the government. Even the country's powerful unions, which in the past have steadfastly supported the ruling ANC, are raising questions, and national elections lie ahead in May.

Public hearings have revealed that the PIC is highly exposed to Eskom. Not only does the PIC own 20% of all outstanding bonds of Eskom, it holds one-fifth of South African-listed bonds and inflation-linked debt and nearly 10% of the Johannesburg benchmark stock index.

Why Eskom Matters
The PIC's "investments in government-issued bonds and state-owned entities have been made in line with clients' mandates and that large portions of these are government-guaranteed," said Dean Botha, the PIC's head of corporate affairs. "Both the government and state owned entities have been honouring their debt to the PIC."

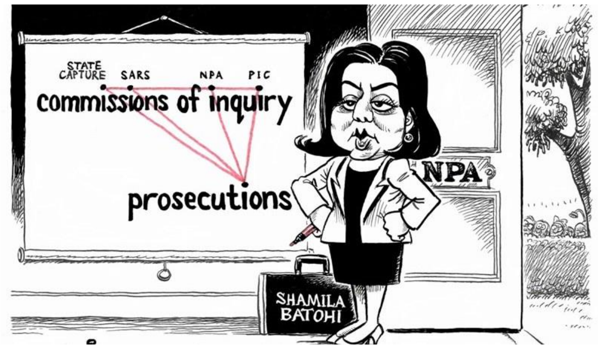
Growing Gap
If the PIC ever got to a point where it couldn't make sufficient returns to cover payments, the government would be on the hook for the pensions of civil servants, which are guaranteed by the state. Ramaphosa already is under pressure to bail out or assume part of the debt of Eskom, while other state enterprises are suffering from a chronic lack of funding.

Ways to strengthen PIC governance suggested at the inquiry include an end to the post of PIC chairman being held by South Africa's deputy finance minister. The pension fund isn't obligated to hold its R1,8 trillion of assets with the PIC and the Federation of Unions of South Africa, the country's second-largest labour union grouping, said in September 2017 it would agitate for the PIC to be replaced if it was forced to help bail out state funds.

COSATU wants the PIC to be more transparent and free of political interference—but isn't demanding the funds be moved, according to spokesman Sizwe Pamla.

While several people have been named at the ongoing PIC inquiry and in a parallel review of corruption at state-owned enterprises, there have to date been few arrests. There were signs last week that this is set to change, as South Africa's Hawks special investigative unit detained seven people following revelations that Bosasa.

— With assistance by Vernon Wessels, and Loni Prinsloo



BizNews 14 February 2019

Ed Herbst: The 'New Dawn' shines more brightly
18 February 2019 Gareth van Zyl

By Ed Herbst*

At Davos last year, Cyril Ramaphosa promised a relentless campaign against corruption and, for me, the 'New Dawn' horizon grew a lot pinker when Tiso Blackstar court reporter Karyn Maughn broke the news last week that Rubben Mohlaloga had been sentenced to 20 years in jail.

In a timeline backgrounder on this website, I correctly predicted that he would shortly join another leading ANC snouter, John Block, in tangerine haute couture.

Ramaphosa has been criticised for 'ruling by commission' but I love it and, after reading the Sunday Times this morning, I can't wait for the Mpati Commission into PIC shenanigans to resume.

Bobby Jordan has been a member of the Cape Town office of the Sunday Times for as long as I can remember and he has done some brilliant investigative reporting into the R140m purchase of seven apartments in the exclusive and hugely expensive V&A Silo development by that most philanthropic and humble of men Dr Iqbal Survé, who is also justifiably renowned for his chivalry and grace.

The intro to the article, headlined Survé's ritzy Silo spree reads: Iqbal Survé splurged almost R140m on seven luxury V&A Waterfront apartments in Cape Town in an 11-month spree just before it emerged that one of his companies defaulted on repayments to the PIC.

Deeds office records link Survé to seven apartments in the V&A's No 3 Silo, all bought between October 2017 and August 2018.

October 2017?

Hello?

Really?

In April last year – 12 months after he started buying the Waterfront properties that only the ultra-wealthy can afford – he gave an interview to the SABC and at one minute and two seconds of the YouTube clip he says: 'I am a danger to them (rival media companies) because I live a simple life'.

He repeats the point at one minute and 39 seconds: 'I live in the same house that I have lived in for two decades. I have a very simple life so they don't like that because they see that as a danger – they want you to be materialistic, they want you to be taken up by all of that so that you forget about the struggles of the people in this country.'

So, a year after he spent R140m on seven apartments in a multi-millionaire's high-security enclave, he tells the country that he still lives a 'simple life' in the same house that he has occupied for decades!

That reminded me another interview which Survé had with the state broadcaster a year after the PIC enabled him to gain control of the Indy newspapers with a loan which he is now refusing to repay.

At 25 seconds he says: 'The next time we speak, I will predict that our circulation will have increased between 5 and 10% per title. We have attracted 20 people from our competitors. We have attracted a number of senior editors."

That entire statement is devoid of truth. Independent Media is insolvent, he did not attract a single editor and, last year, the daily circulation of the Cape Times dipped below 30 000 for the first time in its modern history.

Last year three editors left Independent Media and, on page 31 of the Wits University annual 'State of the Newsroom' report, we read that with the exception of the editor Aneez Salie, the Cape Times does not have a single person in its newsroom with 16 years' of experience or more. It shows – the routine incompetence of the Cape Times is constantly on display.

This is a consequence of a purge of white staff, which started immediately Survé took control. In strong contrast, Die Burger – the other morning newspaper in Cape Town – has ten staff members who have 16 years' experience or more.

But perhaps Survé genuinely believes that, surrounded by bodyguards, he really does live a simple life in the Silo complex of the V&A – and all his other grandiose claims. I say this because when the Mail & Guardian's Khadija Patel interviewed Survé in his office in the Silo complex last week, she reached an interesting conclusion in the concluding paragraph of her article:

> What Survé's success in business has bought him is the ultimate luxury — a sense of reality that is uninterrupted by opinions, or facts, that contradict his own. Surrounded by his staff scurrying about the office in the Waterfront, hanging onto his

every word, he is still alone in himself, with just his thoughts, his ideas — and his hubris.

Like Magda Wierzycka I look forward to Survé's testimony before the Mpati Commission and, like her, I am troubled by the somnolence of the Asset Forfeiture Unit.

Ed Herbst is a veteran journalist who these days writes in his own capacity.

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 aanloklikheid 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.

Contact any one of the following:

Hennie Roux
hennie@nostalgie.co.za

At Fourie
atfourieee15@gmail.com

Alan Luck
armyrenewal@vodamail.co.za

Errol Massey-Hicks
errolhicks@gmail.com

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 voters' pensions are 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.

The AMAGP is nie verantwoordelik en uitdruklik vrywaar alle aanspreeklikheid vir enige skade van enige aard wat sal ontstaan uit die gebruik of aanhaling of afhanklikheid van enige informasie vervat in die Nuusbrief nie. Alhoewel die informasie in die Nuusbrief gereeld opgedateer word kan die geen waarborg gegee word dat die informasie reg, volledig en op datum is nie.
Alhowel die AMAGP Nuusbrief skakels na ander intenet bronne mag bevat, insluitende ander webtuistes, is the AMAGP nie verantwoordelik vir die akkuraatheid of inhoudelikheid van informasie van die bronne of tuistes nie.

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