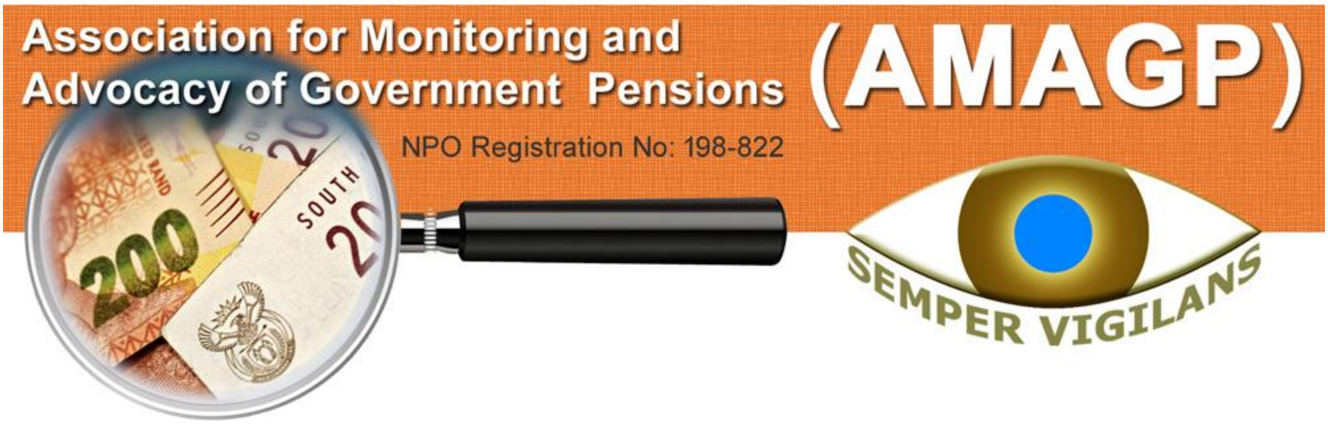


The Association for Monitoring and Advocacy of Government Pensions: An independent group of pensioners and civil servants concerned about the long term viability of the GEPF and sustainability of its return on investments.

www.AMAGP.co.za

f GEPF Watchdog - Waghond

GEPF
your investment, your future

NEWSLETTER NO 2 of 2020

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
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
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 statistics above reflect only the GEPF. The total of all pensions in SA is more than double that. The threat to us all losing that increases every time the government looks around for money to prop up its failed governing. Refer to Dawie Roodt's article.

Let me reconfirm. Much of the awareness about our pensions come from 'letters to the editor', in fact that's where it all started. The ripple effect of these letters takes some time to appear but the waves it causes keep coming for a long time. It would be nice if you, dear reader, become part of the ripples, or better still, the waves. Keep writing.

The single national pension scheme and national health insurance are probably eyeing each other over their first coffee after the end of the festive season, they don't seem to have noticed parliament is almost in session. Don't despair, they haven't gone away, just having coffee and waiting for the SONA.

I got this gem from the GEPF FB Watchdog-Waghond. I don't know where the Watchdog sourced it.

An eye opener is the parliament's [National Assembly and National Council of Provinces] control programme, read it at your leisure on internet. It tells you what they are supposed to do, when and where. The MPs are supposed to spend about four months per year in their constituencies, and holiday leave of a month over the silly season, when parliament buildings have their rest from over active hot air. Plan a cosy one-on-one with your MP when he/she is next supposed to be in your constituency. About the GEPF of course!

Dawie Roodt gives us a reasoned view of the economy linked to state collapse. Reading between the lines, realise the negative influence we can expect on the ROI of our Fund's investments.

The discussion about SAA's funding has widely different views, see Forslund for taking our money, Buthelezi commenting on the DBSA loan and Paton commenting on the DBSA justifying it.

Read Nicholas Babaya and his views about expropriation without compensation, the Landbank and our Fund. Scares me to continue discovering more and more about where our Fund's funds are invested, loaned to, etc. Our Fund is much larger than Eskom, if it fails the crash is going to influence millions in SA, directly and indirectly.

The ANC NEC gathered and ungathered, leaving us to wonder what the future holds as it continues to cling to power. Little is going to happen before the SONA, as most of the politicians are probably checking to see who they should be supporting after the ANC's anniversary failure in Kimberley, and the NEC non meeting. Marianne Merten provides detail of what little actually resulted from the lekgotla. I'm sure we'll hear more about pensions during and after the SONA, albeit indirectly.

The whole matter of prescribed assets is receiving more attention in the media, with the advantages and disadvantages threating to be arch enemies for ever. I'm inclined to agree with Heystek's prediction of two years till implementation, see Cranston's article right at the end, a bit lengthy even though shortened a lot. There are other worthwhile prescribed assets comments before that, by Felicity Mansfield.

No fresh news about the GEPF Annual Report but the wait, while our analysts distil the essence, will be well worth while.

The most terrifying words that can possibly exist after "I'm pregnant" from your girlfriend/secretary/skelmpie/wife or all of them at the same time, are "We are from the government and we are here to help you".

NEWS NEWS NEWS

Synopsis

OPINION

A stronger currency in a time of state collapse?

Dawie Roodt 15 January 2020
Politicsweb

No 20/20 vision, but the picture is getting clearer

20/20 vision refers to a clear vision over a distance of twenty feet. Now, I certainly do not have a clear vision of what can be expected for 2020, but slowly a picture is emerging, and it is not a pretty one.

I want to ease into the bad news, so let's start with a thin silver lining.

South Africans owe Lesetja Kganyago, governor of the South Africa Reserve Bank (SARB), a huge debt of gratitude. Kganyago defended the independence of the SARB quite successfully last year after a politically inspired attack. Additionally, the lower inflation rate at the end of 2019 proves that he was also successful in his primary objective of protecting the value of the currency. But even more importantly, future inflation expectations are also slowly "drifting" lower.

Although the official inflation target of the SARB remains between 3% and 6%, they recently announced that 4,5% is their preferred target. Markets didn't really believe this but at the end of last year inflation reached its lowest levels in many years. It's even possible that the inflation rate can fall to below 3%.

This strict monetary policy approach supported, amongst others, a stronger rand the last couple of months, and this could last for a while still. The South African financial markets are also particularly attractive in terms of valuations. Even if we are downgraded, something I'm strongly suspecting, the rand and our financial assets may just perform well in 2020. This is good news because the SARB then has room to cut interest rates.

So, to conclude, the good news: expect a strong rand and a nice run on our (especially financial sector) assets and the capital market.

And now for the bad and even worse news.

The same record is still playing. The mismanagement of especially Eskom, and the subsequent limited supply of electricity, means that the rate at which the South African economy can grow is severely constrained. I expect an economic growth ceiling of approximately 1% which means that growth could be lower but unlikely to exceed 1%.

Onto the "state's" dire finances. The (central) state's debt is at a record high and rising fast, while our beloved Eskom alone owes more than R500 billion. The rest of the SOE are also mostly mismanaged while the finances of the local authorities are at a similar state of collapse.

I think we can safely say that the "state" is in the process of collapsing.

In order to stabilise the states' finances, only two options are available; limit state spending (expenses) dramatically or increase the state's revenue (more taxes), or a combination of the two.

The downside: either of these two options will reduce the stimulatory effect of the fiscus and hence will further stunt economic growth in the short term. And can we look at Minister Mboweni to deliver the goodies in next month's budget? I expect that he will try to limit the state's spending, as well as try to increase revenue through higher taxes.

I believe Mboweni is the best man for the finance portfolio, but he faces enormous odds. The ANC's *raison d'être* is to seize the state in order to feed and maintain its own massive patronage. Without consistent high state spending, the ANC simply loses its reason for existence. So, it's unlikely that a significant reduction in state spending will be possible at all. I'm also not holding my breath that Mboweni will last that long as the Minister of Finance…

So, what can be expected on tax proposals? I have no doubt that several taxes will be increased. My only uncertainty is whether VAT will also be increased and by how much personal income tax will be increased. A VAT increase, which is the least damaging option, is politically almost impossible while higher personal income tax will be much easier to implement.

But since a reduction in spending or an increase in taxes will weigh on economic growth, in the short term, the 1% "ceiling" (compliments of Eskom) will be reduced even further.

Then there is also the very likely possibility of other stupidities. Further steps are likely to be implemented to follow through on the planned National Health Insurance – which is in anyway doomed to failure – prescribed assets may come a step closer and an increase in forex controls is also possible.

And this just further entices the downgrading sword hanging over us. Not that a downgrade should make much of a difference, I believe that much of the bad news has already been priced into the markets.

Back to the 1% ceiling; perhaps we may consider ourselves lucky if we even reach this. In an environment where the population is growing at more than 1,6%, it's unavoidable that unemployment and poverty will increase yet again.

The president will be shocked and disappointed...

Dawie Roodt
Chief Economist

Comment
A very realistic and practical view of the economy. I love his statement about the reason for the ANC's continued existence, preceded some paragraphs previously, of the state in the process of collapsing. The two seem to be appropriately linked. Not a good prospect for the growth of our Fund.

Synopsis

SAA: Tito Mboweni's R2bn game of financial chicken

Daily Maverick

The Finance Minister declared in August 2019 that he wants to debate economic policy. It seems, however, impossible to get an answer on why the single shareholder in the GEPF, the Treasury, doesn't change the GEPF's investment policy to be more supportive of the public sector, as well as more prudent.

The Finance Minister doesn't seem to know how or whether to provide the R2bn that Treasury promised in immediate funding for South African Airways. Whatever other problems are facing the airline, the problem the Treasury has with this R2bn is contrived. Behind the financial game of chicken is the Finance Minister's insistence that any rescue operation of SAA must be funded from the national budget.

In the face of that dogma, it doesn't matter that SAA's immediate problem is 95% smaller than Eskom's.

Eskom first got R23-billion from the national budget through Parliament. After that, a Special Appropriation Bill was adopted in October 2019 that gave the public utility another R26-billion. This was also financed from the national budget. But tax money is what should fund the annual costs for health, education, water supply repairs waiting to be done in almost all municipalities, putting an end to sanitation disasters in poor communities, drought relief to farmers and so on: everything the national budget pays for and the country desperately needs much more of.

The Treasury has large funds at its disposal outside the Budget if there is political will. On that point there is growing political space and sanity when it comes to public companies in crisis: to avoid austerity, both Cosatu and Saftu are today open to using the more than R2-trillion in state pensions and unemployment insurance surpluses that are managed by the PIC. This can offer some calm while the deep problems of corruption are addressed. It will be a long process, upsetting enough as it is.

But in the case of SAA, maybe we are rather dealing with a political choice. Should what happens to SAA be decided by the Treasury alone by means of procrastination? Or can less than 0,1% of the PIC's R2-trillion be used for a loan to SAA, to get space for a proper discussion on the future of SAA and SA Express?

In the Finance Minister's 2019 Budget Speech he took the opportunity to question the need for state-owned companies in South Africa. It seems, however, impossible to get an answer on why the single shareholder in the GEPF doesn't change the GEPF's investment policy to be more supportive of the public sector as well as more prudent.

A radical shift of the GEPF's investment policy from having more than half of its funds invested in company shares ("equity") to safer investments in bonds would take care of the too-small size of the solvency fund pointed out in the 2018 independent audit. The GEPF's funds are too heavily invested in the stock market and should be weighted towards safer bonds and loans.

The need for such a structural reform of GEPF can be illustrated by the 2019 GEPF annual report. It informs that, during 2018, "net investment income" dropped by R146-billion to R47-billion in 2019. Now, how was that possible if the cash income from bonds was R48,3-billion and from dividends R34,5-billion? Doesn't that come to R82,8-billion?

The explanation is that the GEPF made "capital losses" of some R35,8-billion in 2019. The concepts "capital gain" and "capital loss" don't appear in the GEPF's reporting. The reader must derive from other numbers what happened.

But that doesn't mean that losses and gains from speculation are unimportant to a pension fund. If you sell shares like Steinhoff and Tongaat Hulett at a lower price than you bought them for, and make a number of such sales during a generally bad year, you end up with a total "capital loss" of a staggering R36-billion in 2019.

For the purpose of paying increasing pension and benefits to state employees every year, the upshot is, however, that the GEPF is about double the size it needs to be, especially with adopting a sane investment policy; something we have discussed earlier in detail.

Considering that the coming year on the JSE looks “gloomy”, we suggest that the Treasury talk to the board of the GEPF about that R2-billion for SAA, even if a loan at a regulated interest is ideologically less attractive than “structural-reform-liquidation”. R2-bn amounts to less than 0,2% of GEPF’s more than R1-trillion in shareholding.

Ask the GEPF board to sell 0,2% of its too-large exposure to the vagaries of the stock markets, Mr Finance Minister. **DM**

Dick Forslund is senior economist at the Alternative Information and Development Centre in Cape Town.

Comment
An alternative view of using our pension money. Which is probably shared by many in ‘government’. Mr Forslund clearly isn’t working for the state in some capacity. The single pension fund, prescribed assets, etc may terminate his pension prospects unexpectedly…

Synopsis

Development bank's loan to SAA not justifiable, say experts

29 January 2020 Londiwe Buthelezi

fin24

SAA business rescue process may be on "sounder footing" but some experts argue the DBSA has poured billions that could have gone to improving people’s lives into financing that will probably take a while to pay back.

On Tuesday, SAA’s BRPs Les Matuson and Siviwe Dongwana announced R3,5bn had been secured from DBSA after Treasury struggled to raise the remainder. Local commercial banks chipped in to provide R2bn of the required amount, but government struggled to raise the R2bn it had promised to contribute, which it planned to borrow from banks.

DBSA is one of few profitable state-owned entities. In the financial ended 31 March 2019, it posted R3,1bn in net profit.

That government had to approach DBSA to finance a transaction that’s not in line with its mandate, showed that it had run out of alternatives to fund SAA’s rescue plan, believes Econometrix director and chief economist, Azar Jammine.

“What concerns me is; they’ve already seen a dramatic fall in the demand for flights and they’ve had to cancel a lot. It’s going to take many, many months of continued operations and proof of reliability before people want to use SAA again. That means for a long while, there’s likely to be a substantial loss and all this R3,5bn will do is simply plug holes," said Jammine.

Despite government’s insistence that SAA is a national strategic asset, Jammine also said it should still be questioned if there was a justification for DBSA's decision. "It did rise in my mind whether this was the kind of project that a development bank should be funding. It’s quite right that we should question that. Is it really a development loan? It’s not new project or anything," said Jammine.

Development mandate
The DBSA’s mandate is to develop and finance infrastructure projects ranging from roads and bridges to energy and ICT. It also funds social infrastructure, like the building of clinics and hospitals, schools and water and sanitation projects, although a smaller portion of its total disbursements go towards these.

Even though it does gets involved in mass transportation projects by funding public transport networks, its mandate states that its role is limited to "development" projects.

Wayne Duvenage, OUTA’s CEO, said asking DBSA to fund SAA’s appeared to be a ploy to avoid putting the airline into liquidation because without the funds required to keep it going in the short-term, the business rescue process would have been cut short.

"Where’s the developmental aspect in [assisting] a state-owned entity who’s on the way out as opposed to being developed? It’s already in business rescue. It's throwing more good money after bad. No shareholder in their right mind would probably approve that," said Duvenage.

In response to media queries, DBSA issued a statement saying it granted the facility in line with its economic mandate and the objectives set out in the DBSA Act. It added that the matter was scrutinised under its governance, credit evaluation and approval processes and its board chairman, the ruling ANC's Enoch Godongwana - who is also the party's head of economic transformation - did not participate in the board's decision.

"The granting of the facility has not impacted the ability of the DBSA to execute on its development objectives and mandate. The DBSA continues to manage its balance sheet within its policy framework," read the bank's statement.

Comment
A national strategic asset? What is strategic about it, except the parliamentarian's and ex-parliamentarian's loss of free air travel if SAA closes down?
An asset? Assets provide income, which the SAA hasn't done for decades.

Synopsis

DBSA defends SAA loan

Airline going out of business could devastate the aviation industry, and the disbursement carries zero risk, says bank.

BL PREMIUM

30 January 2020 Carol Paton

The R3,5bn loan to SA Airways by the DBSA might not be irregular, but it is unusual.

The DBSA is an infrastructure bank with a mandate to finance social and economic infrastructure "to improve the life of people" and to "support economic growth". It never lends short-term money and most loans are for five to 10 years. It does not have an enormous capacity to lend: disbursements for the entire 2018/2019 year were R9bn. The SAA loan will tie up a third of its disbursement capacity.

The bank has two defences for its decision. Deputy chair of the board Mark Swilling says the rationale for the loan lies in the effect the collapse of SAA would have on the aviation sector.

There are some grounds for this. The Airlines Association of Southern Africa has warned the effect could be devastating because of the high level of co-dependence across the sector. The Airports Company SA (Acsa), Civil Aviation Authority and Air Traffic and Navigation Services all depend on SAA for most of their revenue. All airlines that fly into SA use SAA Technical for maintenance. The company also holds a repository of valuable skills and know-how.

"The fundamental issue is that SAA provides infrastructure for the whole aviation industry. Those who say SAA should be left to collapse are being cavalier and haven't integrated an analysis of the domino effect, which will be economic," he says. This squares with the DBSA infrastructure development and economic growth mandate, he argues.

Swilling says it can't be assumed that other providers would quickly step into the gap to replace the hole left by SAA should it close. "No-one really knows the extent of the interconnectedness and complexity of the sector. We exercised the precautionary principle that when you don't know you proceed with caution ... It was an unusual transaction that helped create a space for something that could possibly be turned around," he says.

The second defence is that the loan carries "zero risk" at a commercial interest rate, he says. The conditions are the same as those that commercial banks set for the R2bn they loaned SAA at the beginning of December. Those loans are bridge funding that is fully guaranteed by the Treasury and repayable by July 31. That is when the Appropriation Bill related to the 2020/2021 budget will be passed by parliament.

But even if the loan can be accommodated by the broadness of the DBSA mandate, many other questions arise.

Could the R3,5bn not be used for something else? What about the disbursements for infrastructure projects planned for the year? And what happens when the Treasury knocks on the door on July 31 to ask for an extension of the payment date or a conversion to a long-term facility? The short-term finance lent to SAA in 2019 was several months late in being repaid. In 2012 the bank lent Eskom R15bn with a 12-month repayment date. That loan has been rolled over every year since, clearly by agreement as the DBSA says that Eskom "is meeting all the terms of the loan".

Swilling says it will not affect the bank's other disbursements. "There are no major programmes that needed the R3,5bn now. And while it is quite a lot for the DBSA to lend, we can ramp up disbursements in the second half of the year. That is the reason we would only provide short-term financing."

There is nonetheless an uneasy feeling that the SAA loan is the start of a slippery slope in which the DBSA will be called on more to finance troubled and unproductive state assets.

That its chair is Enoch Godongwana, who is also a chair of the ANC's economic transformation committee, is only a small part of this concern. The DBSA has provided assurances that Godongwana recused himself from the discussion on SAA.

The decision was processed by the bank's executive investment committee, which made a recommendation to the board credit investment committee.

But with the sole shareholder of the DBSA being the Treasury and that the appointments of its board and CEOs must be run by the ANC's deployment committee this does not provide a lot of comfort. It won't be much of a surprise when other state institutions, such as the IDC, get tapped for the longer-term funding for SAA, which is the next demand that will come from the state-owned airline.

Comment

The DBSA has valid comments on the value SAA adds to the SA economy and the complexity. However, confirming the intention to close down SAA will enable transition that much quicker, easier and cost-effective. Lufthansa's take over of Swissair, Sabena, etc, is good comparison.

If ACSA, the CAA and ATNS derive most of their income from the SAA, they will negotiate the same income from its new owner, not so?

The loan is in line with the government's using any available funds to keep it afloat. But "zero risk" and late repayments?

The chairman of the DBSA evidently also has some unexplained history that might bear on the granting of the loan.

It seems we are not just sliding down the slippery slope but at an ever increasing speed.

Synopsis

WORLDVIEW: **What to do if the ANC destroys pensions with prescribed assets**

23 January 2020 by Felicity Duncan Mansfield Biznews

Government support for prescribed assets for pension funds seems to be growing. Investors fear new rules would force retirement funds to invest in government debt, which would effectively mean bailing out disasters like Eskom using your retirement savings.

The idea is that the government would add to existing rules that, for example, limit retirement funds' offshore investments to 30% of total assets. It could mandate that funds must invest, say, 40% in government assets, including SOE debt.

From a certain perspective, this would be great for the government. It would enable our leaders to plug the ugly, trillion-rand holes left in state finances by corruption and mismanagement using the R4,4trn pension pot South African savers have accumulated. It would help the state avoid the brutal necessity of an IMF bailout. It may even make it possible for the government to deal with some of the country's crumbling infrastructure – assuming there are enough honest civil servants around to manage some useful projects.

But this would all come at a terrible cost, especially to South Africa's savers.

The prescribed assets approach

In considering prescribed assets the ANC is drawing inspiration from an unlikely source – the apartheid era. Between 1956 and 1989, the apartheid government forced retirement funds to invest in government assets. The resulting cash was used to invest in infrastructure and various other National Party boondoggles. Unfortunately, this meant that there was less capital available for the private sector.

It also meant that pensioners didn't earn the best possible returns on their savings and is likely one reason why so many defined benefit funds from that era have massive deficits and cannot support their promises.

So, the Nats and ANC face very different worlds. Democratic SA is fully integrated into world markets and the government relies heavily on international capital flows. Interventions in capital markets are regarded with suspicion by global capital, and the ANC would risk seriously damaging its ability to raise money abroad.

Thus, prescribed assets would hurt savers, the broader economy, and the country's global standing, which would further hurt the economy. An IMF bailout may be kinder.

Sadly, despite many excellent arguments against the prescribed assets approach, reason does not always prevail. The ANC, faced with the imminent threat of a rating downgrade and a complete meltdown at Eskom, may be willing to trade short-term benefit for long-term harm – it's happened before.

So, if prescribed assets are on their way, what can you do?

First, if you are a member of a trade union, you should make your voice heard. Explain to your union what's at stake and agitate for action. This move will hurt workers and workers should respond.

Second, sit down with a financial planner and look at your overall savings plan. Retirement savings vehicles offer tax benefits, which makes them attractive. But the calculus changes if investing in a provident fund means giving 30c of every rand to Eskom. It may mean you have to rethink your approach to savings – almost certainly, it would mean that investing offshore becomes essential.

Third, and finally, you need to get much more politically active. Too many South Africans complain about the state of the nation without taking part in attempts to fix it. SA lacks political alternatives and most debate is dominated by one set of ideas. It's up to South Africans to change this. Volunteer. Lobby your municipality. Arrange a worker protest. It really is all up to you, the individual South African, to make the country a better place.

Comment

Massive deficits in defined benefit [DB] funds? These are brand new words but some research shows that there is a global movement away from DB because of these deficits, without there being a clear alternative. Our DB fund is on its way to a deficit as we know, in addition to the 'government' eyeing it for 'their' use of course.

What do you expect the nature/structure of a single SA pension fund is going to be? Probably one where the benefit isn't guaranteed by the state?

Add to that the probable changes to accommodate prescribed assets, ie less pension money. Makes for uncomfortable thoughts.

Synopsis

BizNews

Paul O'Sullivan: Why Markus Jooste, Martin Levick are still walking free

21 January 2020 by Alec Hogg

Ace forensic investigator Paul O'Sullivan applies his mind to the question that many South Africans keep asking – why are so many well exposed crooks not being put behind bars? O'Sullivan gets to the nub of the issue and proposes a quick-fire solution that imprinted on him after a long and frustrating case during the time he worked in law enforcement. Alec Hogg

Why don't the bad guys get put behind bars? That's the burning question as South Africa continues to grapple with corruption and state capture. Paul O' Sullivan of Forensics for Justice unpacks the details of the country's criminal justice system with BizNews founder Alec Hogg, to explain why you get more time for stealing a loaf of bread than you do for R100m.

O'Sullivan, a former commercial crime investigator for the police, tells Hogg: "You have to remember that the criminal justice system was captured at least 10 years ago, so you have criminals running the criminal justice system."

"If you had 10 teams focusing on prosecuting everyone involved in state capture, those 10 teams would be busy for the next 30 years, such is the scale of the problem."

Highlighting the logjams, O'Sullivan points out that he opened a criminal docket against former SAA chair Dudu Myeni, who presided over corruption and is believed to have received cash payments for former president Jacob Zuma, "but five years later nothing has happened".

Turning to former Steinhoff boss Markus Jooste and another corporate player, Martin Levick, who is wanted in connection with financial crimes, they will be "saying I can get away with the criminal justice system because it's broken".

O'Sullivan rattles off a long list of people who have been involved in criminal activity; nothing has happened to any of them. Cases are opened at police stations but there is no progress in the courts.

"The criminal justice system is loaded in favour of people who commit white collar crime, and white collar crime represents 90% of all the crime taking place in rand value yet the resources allocated to tackling this crime is less than 10%."

Other countries "deal with white collar crime before it gets out of hand", says O'Sullivan. In South Africa, on the other hand, "you can steal a loaf of bread and get instant justice, but if you steal R100m there is no justice".

For O'Sullivan, fixing the criminal justice system should be at the heart of government efforts to clean up the country. "Until it's dealt with the economy of this country is going in one direction."

O'Sullivan says the criminal underworld is like a big network, with everyone using same pool of attorneys and advocates.

He suggests that law enforcers should go for low-hanging fruit and charge individuals with a few crimes so that they "get some time in jail" instead of focusing on "trials that last for years".

Comment

There you have it, the criminal justice system is run by criminals, in the words of Paul O'Sullivan. We notice this in the media every day, about the Police and judges, starting right from the very top. As long as this isn't corrected, recovering GEPF losses is going to be expensive, lengthy and never.

I like his idea of "low hanging fruit", get them into jail and recover some of the money, while the court cases are wending their lengthy and lawyer expensive way to termination.

Synopsis

ANALYSIS

In a search for solutions, ANC NEC lekgotla finds itself at a policy dead end

By Marianne Merten 22 January 2020

Overall, the policy intervention proposals of this January 2020 ANC NEC lekgotla at this pivotal point in South Africa's history is a case of more of the same, even if dressed up in glossy spin, says the writer.

The ANC NEC lekgotla put on a glossy spin of being proactive in its responses to South Africa's economic gloom of stubbornly high unemployment, a stalled economy at 0,4% growth and rising inflation. But just a light scratch on the proposal offering shows what's proffered is neither new nor that effective.

South Africa's flailing economy and profoundly distressed SOE such as SAA and Eskom, emerged as central to the ANC NEC lekgotla, whose decisions will now feed into the Cabinet lekgotla, and ultimately the programme of government action to be announced at the SONA on 13 February 2020.

Discussions were described as "robust" and "constructive", coming at "a pivotal moment for our country, when our economy is facing severe challenges and many of our people continue to endure great hardship" as both the statements from ANC Secretary-General and the President said on Wednesday and Monday respectively.

The solutions crafted, presented and ultimately adopted by the ANC NEC lekgotla were styled as detailed, concrete proposals for solutions.

Except they aren't.

As long as eight years ago government proposals emerged to consolidate and rationalise SOE and improve efficiencies while clarifying their commercial and developmental mandates.

In March 2012 the final report of the Presidential Review Committee on SOE was handed to then president Zuma. The SOE review had taken almost two years and the recommendations were plentiful, including that government should "ensure consolidation of the SOE", also by clustering these entities into commercial, developmental financing and strategic groupings, "reduce the number of SOE and streamline, where appropriate", and "performance should be assessed on the basis of efficiency, effectiveness as well as service delivery".

Also recommended was an overarching SOE Act to apply to all such entities, and clearly defined roles for the SOE, the sector regulator and stakeholder, or government.

According to the review timeline, 2020 would be the year after consolidation and legislative interventions when "selected world-class SOE are in place". But the review final report has mostly gathered dust.

At Wednesday's official briefing on the ANC NEC lekgotla outcomes, the party's economic transformation honcho Enoch Godongwana acknowledged discussions had considered this 2012 SOE review report.

Those March 2012 recommendations clearly shine through the ANC lekgotla's decisions to consolidate and rationalise SOE, to "clearly outline commercial and developmental mandates" of SOE, ensure better "operational efficiency, integrity of SOE" with fit-for-purpose appointments and to "avoid political interference in operational matters,…".

Somewhat ironically, only political and ideological motives could underscore the decision that "SAA should be retained as a national airline, which will require substantial restructuring". Keeping SAA in state ownership has frequently been described as a vanity project, given the R15,7-billion in bailouts the troubled airliner has received since June 2017.

Like the SOE consolidation, clarification and efficiency, the ANC lekgotla's endorsement of the district development model is not exactly new. It, however, did not stop ANC NEC member and Co-operative Governance Minister Dlamini Zuma making a valiant push for it: "The district development model is not a panacea but it will allow us to work together…"

In the 2001 SONA, president Thabo Mbeki launched the Urban Renewal and Integrated Sustainable Rural Development Programme that identified an initial 15 rural and seven urban nodes for focused attention.

Political machinations around the 2007 Polokwane ANC national conference saw Zuma elected party president and Mbeki recalled from the Union Buildings, ultimately the petering out of rural and urban renewal interventions in places such as Alexandra in Johannesburg, Galeshewe in Kimberley and Mitchells' Plain in Cape Town, and rural areas such as KwaZulu-Natal's uMzimkulu and uMkhanyakude.

Roll forward to 2020, the year before another municipal election, and for the governing ANC the district development model may just be an important electioneering platform.

Elsewhere on the local government front, the ANC NEC lekgotla decision transverses stale points like improving municipal skills, which has been a focus since the 2004 Project Consolidate.

Also not quite new, and somewhat odd, given the existence of the Municipal Finance Management Act and the Municipal Systems Act for about two decades, would be the ANC NEC lekgotla's decision for "the clarification of roles and functions between political and administrative leadership".

On the manufacturing front, the identified growth industries also do not herald much fresh.

Automotive manufacturing has long been a leading sector under the long-standing Industrial Policy Action Plan (Ipap), which also provides incentives. This policy intervention under former trade and industry minister Rob Davies has ensured key manufacturing investment hubs at Port Elizabeth and East London in the Eastern Cape or Rosslyn near Pretoria. Coincidentally, Ramaphosa opened a special economic zone in November 2019 that is said to potentially attract R60-billion in investment, named the Tshwane Automotive Hub.

While digital economies could well be a growth area pending lower data costs to facilitate access, creative industries are already targeted as a growth sector. As Arts, Culture and Sports Minister Nathi Mthethwa told a November 2018 creative industries conference: "The creative and cultural economies are one of the fastest-growing industries and should be at the centre of national strategic priority to unlock the wider socio-economic participation and inclusivity in the mainstream economy".

The Mzansi Gold Economies initiative is long launched, and by September 2019 so were the automated applications for creative industries funding for public art, cultural events and touring ventures at least.

So, not that much new here either.

Identifying renewable energy as a growth sector is running the gauntlet. Renewables such as solar and wind and related independent power projects are heavily politically contested territory. The National Union of Metalworkers of South Africa (Numsa) and the National Union of Mineworkers (NUM) are publicly opposed, given the impact of moving from coal, where many of their members are employed.

However, it is here that one of the new policy initiatives emerged – the ANC's move to allow municipalities to purchase their own power and for businesses to be able to generate their own power.

Godongwana confirmed a decision to "ease the regulations and allow for municipalities in good financial standing to procure their own power". Much regulatory and legislative work would still have to be done for this to happen. It comes as Eskom is being unbundled into three entities.

But the curveball news from the ANC NEC lekgotla was its decision that the executive, effectively ministers, would decide on issues related to expropriation without compensation. That decision stands in stark contrast to the draft Constitutional Amendment Bill that puts courts in charge of determining compensation, including nil compensation, or nothing.

"We must simplify expropriation," explained Godongwana. "The decision was expropriation without compensation must remain with the executive so you don't have long processes of expropriation… Individuals can take the executive decision for review."

This decision may well be a factional win for the so-called radical economic transformation grouping, in return for softening on SOE, strategic equity partners and renewables as a growth sector. But how this sharp turn on compensationless expropriation ultimately plays out in the parliamentary legislative process remains to be seen.

Overall, the policy intervention proposals of this January 2020 ANC NEC lekgotla at this pivotal point in South Africa's history is a case of more of the same, even if dressed up in glossy spin. And given Ramaphosa described the gathering as "the brains trust", that's just plain disappointing. **DM**

Comment

The ANC NEC lekgotla revealed nothing new, just rehashing what had already been planned, some of it decades ago, but not implemented. It sounds like everybody congratulating themselves and doing their best to ignore the approaching tragedy. It has taken many years to get our country and Fund to this parlous state: our Fund remains under serious threat.

Synopsis

Opinions

CEOs should stop sitting on the fence about their clients' property

By Nicholas Babaya 25 January 2020
Daily Friend

One of the remarkable results property rights matter is the relative silence coming from corporate top brass at South Africa's financial institutions. Banks and other financial institutions are in the vast majority of cases the way South Africans finance expensive property such as houses, agricultural land, vehicles, factories, and many other assets.

Many have tried to frame the proposed constitutional amendment in terms of some kind of focus on agricultural land, but really when one understands this change in policy in light of the National Democratic Revolution of the governing ANC, it is clear that this is very much about property in general. The ANC's policies have been progressively more and more about state control. Poor black South Africans living in RDP houses do not own the title deeds to the land on which they live. Now Fikile Mbalula has announced the government wants to establish another SOE, a shipping carrier, largely for the purposes of transformation.

Given the unmitigated failure to make a profit at so many other SOE, this might seem insane, but it's not insane if the purpose was never to make a profit in the first place. Fundamentally, the ANC believes in state intervention in the economy to drive social engineering – the dead loss is of no concern. I remember hearing Malusi Gigaba express these sentiments in a speech he gave at my *alma mater* Rhodes University last year. It was not that SAA was unsuccessful, we were just viewing "success" according to the imperialist Washington Consensus.

When translating this view of "success" into the realm of property ownership, the implications of potential government expropriation of property should be making alarm bells go off for financial institutions which grant loans against property as collateral. Should a person's property be expropriated with compensation, is that person still liable to pay off their bond? It would be a bizarre situation in which people might default on their debt while having little to be repossessed by the bank. Nedbank CEO Mike Brown himself has stated that EWC could cause "a classical banking crisis."

So why then have CEO of financial institutions not been more vocal in their opposition to the proposed constitutional amendment? Surely these intelligent CEOs and board members of banks must be aware of the serious consequences which expropriation of property without compensation will have on their clients?

Unfortunately this fits in with a general trend of business cosying up to government in the hope that they might get a seat at the negotiating table. The agricultural community has perhaps already seen this, with Dan Kriek initially getting a seat at Cyril Ramaphosa's 2018 Advisory Panel on Land Reform but later distancing himself from that panel's recommendations for EWC. Kriek has since resigned and now farmers are facing terrible drought on one hand and government threatening to steal their property on the other.

It is certainly understandable that big business would want to have a good relationship with government. Government spending makes up a large proportion of GDP and the ANC is constantly finding new ways of involving itself in the economy, either through more failing SOE or harsh regulatory environments, especially mining and infrastructure development with its many government tenders. Perhaps big businesses in South Africa believe that by cosying up to the bureaucrats in Pretoria and "playing along" in the legislative process they may avoid being in the firing line.

Probably the most poignant quote was around the question of collateral. "So certainly we do not yet have proposals to put on the table, we have teams of people working on that, so we very definitely will have those by the time we arrive in this process. But I think what is clear is to have to work through, very very carefully, the legal rights in contractual law, so for example if someone has a tract of land and someone else has a mortgage bond over that, *even if that land is expropriated without compensation, that doesn't override the contract and the debt*. Now that's clearly a situation that could be untenable so we have to work through, in a lot of detail, the legal implications of what that looks like." (my emphasis)

One can understand the sentiment which CEO like Mike Brown might express in wanting South Africa to go through the process of dealing with the issue of land, but there comes a time when fence-sitting is irresponsible. Leaders in the business world are not obligated to have an opinion about every single political issue but this is a case where the government has proposed a radical change so significantly affecting an industry that it becomes irresponsible to say nothing. If a cookie factory decided to support the process of the government to make cookies illegal, you might think that there was some fishy business going on under the table.

For ordinary South Africans going about their daily lives, consider which companies provide you a daily service. Consider which companies help you own and/or finance your property. Have you been sold out? Classical liberals often talk about the need for government accountability, but when business refuses to take a stand for its own self-interest in the face of hostile legislation, the customers and clients of these businesses must speak up.

Nicholas Babaya
is an alumnus of Rondebosch Boys' High School and Rhodes University, graduating with an honours degree in Chinese. He is currently a junior researcher for IRR campaigns.

Comment

Note the reference to the ANC's National Democratic Revolution and a shipping carrier.

The National Democratic Revolution isn't part of the AMAGP mandate, read up about it.

The shipping carrier is a new risk for the PIC to fund with our pensions? Then, of course, the Landbank, banks and other financial institutions and EWC. It is similar to buying a car: the car is EWC but you still have to pay the outstanding debt for an asset you don't have, where the asset is contractually the guarantee for the loan to buy the car; neither you nor the bank now have the asset but you still have to repay the loan.

How much of our pension money is in the Landbank and various building societies in the form of loans and investments?

POLITICS

DA rejects COSATU's anti-worker Eskom bailout plan – GHL

Geordin Hill-Lewis 29 January 2020

DA MP says asking PIC to make available R254bn to clear half of SOE debt is madness

DA rejects COSATU's anti-worker Eskom bailout plan

The DA rejects outright a proposed plan by Cosatu to ask the PIC to avail R254 billion to clear half of Eskom's debt. We will therefore write to the Minister of Finance, Tito Mboweni, and the acting PIC CEO, Vuyani Hako, challenging them to publicly reject the Cosatu proposal, which would result in billions of Rands in state employee pension funds being redirected to bail out a collapsing and defunct Eskom.

Cosatu's purported conditions of this bailout proposal are that Eskom should not be privatised, no jobs should be lost and that the state should take a lead on renewable energy. It is deeply misleading for Cosatu to claim to fight for the rights of workers when in essence it is proposing to use workers' money to bail out the ANC and reward its mismanagement of SOE.

Workers should not be asked to shoulder a sinking Eskom ship that was looted by political elites and their proxies during the heydays of state capture.

The DA is on record stating that pension funds in the PIC should never be used to bail out failing SOE. Minister Mboweni has an obligation to rise above tripartite alliance politics to stop the ANC from using the PIC as a piggy bank to subsidise state corruption.

There is no saving Eskom. If the PIC approves this R254 billion bailout to Eskom, state employee pensioners should consider it as a donation, as the money will never be recovered. Eskom has proved time and again that it is unable to pay its debts and relies on state bailouts to stay afloat.

Issued by Geordin Hill Lewis, DA Shadow Minister of Finance, 29 January 2020

Synopsis

The ANC's dirty dance with your pension

With government finances in such a mess, the easiest way to plug the hole might be to force you to use your pension fund money to bail out SOE. This is the threat of 'prescribed assets'. It requires a capable state if it is to have any chance of success.

BL PREMIUM

30 January 2020 Stephen Cranston

There's an innocuous item in the ANC's 2019 manifesto. In soothing, sensible language, it talks of investigating a new framework to mobilise funds for "socially productive investments, including housing, infrastructure for social and economic development and township and village economy, and job creation".

It seems benign enough. Certainly, you could hardly argue against the rationale — until, that is, you grasp the nuts and bolts of this plan. This tool, it turns out, will be a regime of "prescribed assets": forcing pension funds or financial institutions to buy specific assets, decided by the government.

It's not a new idea: the apartheid government did the same thing in the 1980s, forcing funds to buy government bonds. This time, however, the idea would be to force pension funds to invest an amount, say 5%, into inefficient and deeply indebted SOE.

It's a scary prospect, playing to the gallery of sceptics who're already raising the alarm about the assault on property rights implied in the new law on expropriation of land without compensation.

At the head of this list is financial planner Magnus Heystek, who argues that people "would have to increase their contributions and possibly work and contribute longer due to the poor performance of their investments". Heystek warns, bluntly, that the ANC is coming for your pensions. "While I'm not a betting man, my money is on prescribed assets within two years."

More cash to plunder

As Futuregrowth chief investment officer Andrew Canter says, prescribed assets is a political, not an economic, phenomenon. "Politicians see a pile of money to plunder. Canter, who made headlines in 2017 for withdrawing Futuregrowth's funding for ailing SOE like Eskom, is the foremost critic of prescribed assets. He says savers need an incentive to tie up their assets in pension funds or retirement annuities — such as being able to deduct such an investment from taxes.

But even then, "retirement funds with the burden of prescribed assets could provide worse returns than discretionary savings vehicles such as bank deposits and unit trusts, hollowing out the retirement fund industry". This would also be a violation of property rights. "These assets are property just as much as land and houses are," says Canter.

There's another important argument: Canter says that those SOE that are capable of providing a return are already getting private sector money. "We are already happy to lend to the DBSA, the Land Bank and the IDC. There's no need for prescription there. We can all guess where the prescribed funds will end up," he says. In other words, pensions are already being deployed into all but the most delinquent state-run companies.

Haroon Bhorat, a professor at the University of Cape Town, argues that there are clear economic development goals that require the financing of public goods which support economic growth. "But it is reliant on an optimally functioning state which is not resource-constrained and debt-laden."

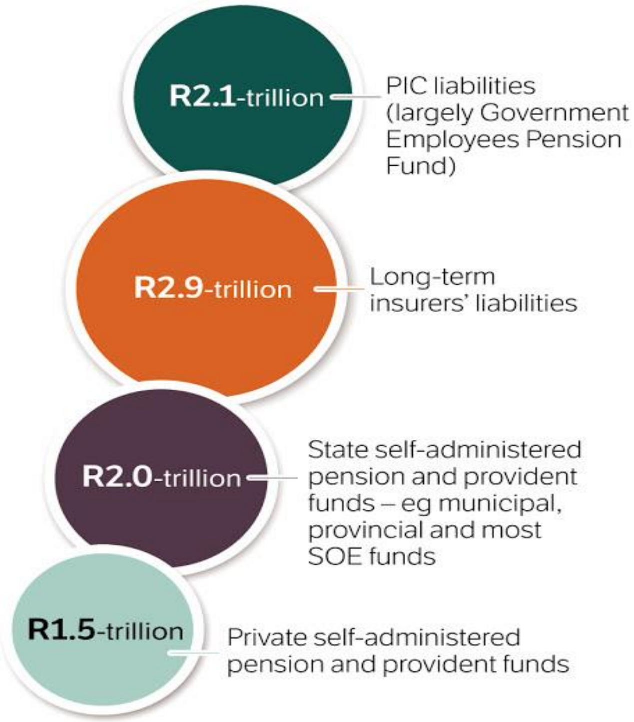
So why does this idea have any currency, if it's such a poison pill for investment?

Absa economist Peter Worthington says: "Prescribed assets appeal to the economically illiterate as they see up to R6,5-trillion of 'free' money in the financial system without realising it is there to fund liabilities." It might look acceptable to shave off a percentage point or two a year to finance prescription, he says, but compound that over 40 years and you're looking at a considerable loss to your savings.

The Association for Savings & Investment SA (Asisa) representing unit trusts, life insurers and asset managers, has an even more apt argument against it. "Asset managers are not asset owners," he says. "Behind every asset there's an ID number. As the owners of these assets, ordinary South Africans elect and appoint trustees to make asset allocation decisions that are in their best interest. Prescription would jeopardise this fiduciary duty."

UP FOR GRABS?

Value of assets in SA's major pensions and insurance vehicles



Source: Asisa

And it also means that other deserving projects would miss out on that funding, since capital is a finite resource. Projects that would otherwise have driven growth and created sustainable employment would now not happen anymore," says Campher.

State-control ideologues

But if it's so crazy, who exactly is driving the idea? There is one insider willing to break ranks from the ANC's Sicilian-style omerta around prescribed assets: Higher Education Minister Blade Nzimande.

As leader of the SACP, Nzimande mounted a stirring argument in favour of prescribed assets at the ANC's 8 January jamboree in Kimberley. "We need a radical change to our economy: we want land expropriation without compensation and we want workers' pensions and provident funds to be used to build the manufacturing base of our country so as to create jobs and not to fund vanity projects that serve the private interests of the few. We want prescribed assets," he said.

As he's the leader of a party favouring state control and ownership of private assets, you'd expect that of Nzimande. It's an argument full of holes, however. For example, he glosses over the fact that one of the beneficiaries of those assets would be the biggest vanity project of all: SAA. And SAA mostly serves the affluent.

Proponents argue that it has worked elsewhere. Take Singapore. Under its first prime minister, benevolent strongman Lee Kuan Yew, the country made extensive use of prescribed assets to build itself from a fishing village to a world-class financial hub.

While there are clearly uncomfortable divisions in the ANC, prescribed assets is a rare area of agreement within the DA.

Geordin Hill-Lewis, the DA's finance spokesperson, says the most fundamental argument against prescribed assets is that they are economically inefficient. "If companies were deserving of investment, they would receive it regardless, and prescription would not be necessary," says Hill-Lewis. "Prescription is an admission that these companies would not otherwise deservedly receive this investment."

And, he adds, you don't get economic growth in an economy by telling people where and how to invest their money. "It may be tempting to think: 'Who cares if these huge sums earn a few percent less here than there?'

"But the ANC, in pursuing prescription, forgets that the huge majority of those funds actually represent the retirement savings of millions of working people," he says.

Rather bizarrely, Hill-Lewis in parliament accused Sygnia CEO Magda Wierzycka, pundit Wayne McCurrie and retired Goldman Sachs banker Colin Coleman of being "sycophants" on the prescribed assets issue.

Looking for a compromise

Wierzycka, it seems, is being flamed by the DA for looking for a middle ground. "Prescribed assets might be a compromise to help reduce the burden on the state from a stagnant economy," she says.

But Wierzycka qualifies this by saying there is a big difference between investing in government-guaranteed bonds, which have given excellent income for many years, and "forcing savers to prop up businesses which are not financially sustainable".

Perhaps a fair trade-off, she says, is making it compulsory to invest in state-guaranteed bonds, but at the same time increasing the offshore investment allowance.

CONSEQUENCES OF PRESCRIPTION

How savings were eroded under prescribed assets from 1956 to 1989

	Nominal returns (%)			Real returns (%)		% held in PA	Wealth tax	Opportunity cost to equities
	Equities	Prescribeds	Inflation	Equities	Prescribeds			Real*
1960s	11.3	4.9	3.0	8.3	1.9	na	na	na
1970s	24.5	7.3	11.3	13.2	-4.0	50	-2.0	-8.6
1980s	20.2	13.5	14.5	5.7	-1.0	44	-0.4	-2.9

Source: Asisa

*Negative real return

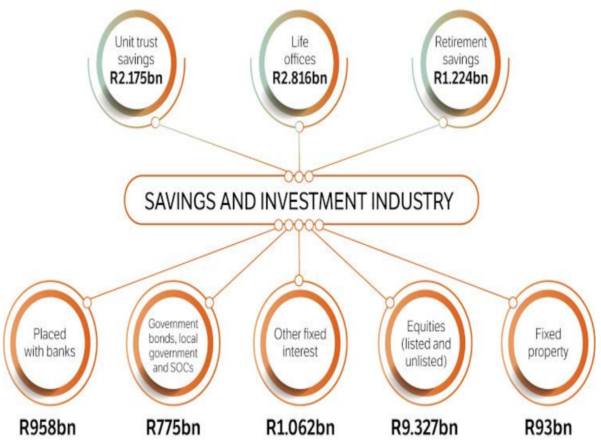
At the same time, the GEPF could make a deal with the government to increase its offshore exposure (barely 10%) in exchange for providing more finance to SOE.

Thabi Leoka, a member of Ramaphosa's economic advisory council, also favours leaning to a greater degree on the GEPF, and its asset manager the PIC. Leoka says she's instinctively averse to prescribed assets. "But we need to decide if we really want to let go of important businesses such as SAA [Leoka is a director of SA Express]. Are we really prepared to play no role in the aviation sector in Africa, leaving the market to Kenya and Ethiopia?" she asks.

Alexander Forbes's Slawski says it is already possible for pension fund members to allocate a proportion of their savings to develop infrastructure and businesses in their home region. Such subfunds already exist in mining areas like Rustenburg.

SEEKING THE BEST RETURNS

Where people save and how it's invested



Source: SARB Quarterly Report – December 31 2018

Renewable energy projects are another template for how to woo private-sector funding without requiring "prescription". Canter points out that 75 power projects worth R200bn were rolled out over four years. And these projects were corruption-free, even though they happened at the height of state capture.

This underscores an essential point made by Campher: it's not that the private sector is unwilling to invest, the problem is the lack of viable projects.

Credibility hurdle

Investec chief economist Annabel Bishop argues that prescribed assets are not necessarily inefficient — they have worked in Asian countries including Singapore and Malaysia. This remains the almost insurmountable hurdle: implementing any such prescriptive rule when the government has zero fiscal credibility with investors.

Bhorat says "In the current environment, as government has emerged from a prolonged period of state capture, where debt levels are rising and SOE are almost without exception bankrupt, such directed investments are not an attractive option for pensioners," he says.

That's an understatement. With trust so low, you can hardly compare SA today to Singapore and Malaysia.

WHAT IT MEANS

Critics say that if companies are deserving of investment they will get it, and prescription will not be necessary

The ANC's head of economic transformation, Enoch Godongwana, says he is not wedded to the term "prescribed assets" — just the concept of mobilising savings for national development and job creation.

But Wierzycka argues that it would be disingenuous to give it a cuddlier name, such as targeted development assets. She says if savers are forced to commit their savings to fix a problem, they should be sufficiently vigilant to hold the government accountable in terms of delivery.

But that seems an overly optimistic hope. If anything, the government has demonstrated that it can't be trusted — let alone with your future savings.

COMPULSORY FUNDING

The wrong signals

Prescribed assets is a poor choice of nomenclature for the compulsory deployment of funds into state-controlled entities. The PW Botha government could see that the prescribed assets regime was distorting the financial markets. Many listed companies became overcapitalised because their shareholders did not want a high dividend, as they would then have to reinvest the bulk of that in government bonds.

The Jacobs committee said that prescribed assets were "originally intended as protection for policyholders and pension fund members but the prescribed investments came to be regarded in time as an assured source of public funding".

Darryl Moodley, head of tailored investments at Sanlam, says the period from 1956 to 1989 is certainly not the appropriate model, as it simply forced retirement funds to invest in parastatal bonds to fund the country's deficit.

Sandy McGregor, a portfolio manager at Allan Gray, says bringing in prescribed assets sends the signal to the rest of the world that SA has imposed restrictions as it can't raise money any other way.

Comment
A bit lengthy but you should have seen the original version! In summary, the government intends to use our savings/pension to keep the bankrupt SOE going. The GEPF is founded in the acceptance the 'government' will fund any shortfall, not realising the shortfall will be made up from taxes coming from us.

IMPORTANT NOTICE. PLEASE READ

Now that you have reached the end of this newsletter, take a while or two to consider what the all-volunteer AMAGP is all about and is actually achieving. Our Facebook page has more than 14 001 members as of the minute I'm typing this, we must be doing something right. We need you to inform and motivate all the civil servants, policemen, soldiers, correctional services members, etc, you know to join the AMAGP to strengthen our voice when promoting the sustainability of your pension. We need many more AMAGP members too. Of which there are already over 3 001, we need many more though.

ROLE OF THE FACEBOOK PAGE - GEPF WATCHDOG/WAGHOND

This Facebook page is the social media platform of the non-profit organisation "The Association for the Monitoring and Advocacy of Government Pensions" (AMAGP). The AMAGP has only one agenda point – safeguarding the GEPF against looting and mismanagement.

Most of our GEPF members are content with the fact that pensioners still get their monthly pension (and some increases annually), and they are convinced by GEPF newsletters and ambitious briefings by the GEPF Board of Trustees that our Pension Fund is in a super condition. There is, however, another side to the coin!

As a member of the GEPF (working or retired), this FaceBook page will keep you updated about any developments affecting the health of YOUR Pension Fund. It also provides you with the opportunity to participate in the debate and raise issues of concern. Although it is not part of the core business of this page, you may also raise matters regarding the day to day management of your pension administration, which we will gladly refer to the Government Pensions Administration Agency (GPAA). Please read the articles that are posted on the wall, BUT also read items saved under "Announcements" and "Files". You can get further information on our website – there is no reason to be in the dark regarding our Pension Fund, and what you must do as a member.

This page will only have any value for you if you join the AMAGP. Kindly take note that you do not have to pay membership fees, or do any work for the AMAGP if you do not wish to do so – BUT your membership will add one more brick to the wall that the AMAGP is building to protect our money. You can complete the online registration form under "Announcements" (English and Afrikaans) at the top of the Facebook page, or you can visit our website at www.AMAGP.co.za, and complete the online application form that you will find under “Membership”. There are also registration forms in English and Afrikaans that you can print, complete and return to us under “Files” on the Facebook page.

The AMAGP does not want any GEPF member to leave the Fund, because it still is the best pension fund in the RSA – BUT, we as members and owners of the Fund have to protect it against abuse.

Welcome to our page – please help us to get thousands more GEPF members to join this page and the AMAGP, so that we will have the required bargaining power. We are the owners of the GEPF, and we have the right and the power to force the GEPF Board of Trustees, and the Public Investment Corporation (PIC), to manage and invest OUR money in a responsible and profitable way.

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