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: A volunteer 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 Forum

NEWSLETTER NO 19 of 2021

AMAGP – Association for Monitoring and Advocacy of Government Pensions
AR – annual report
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
SCOF – Standing Committee on Finance
SCOPA - Standing Committee on Public Accounts
SOE – state owned entity

The Government Employees Pension Fund (GEPF) is Africa's largest pension fund. We have more than 1,2mn active members, in excess of 450 000 pensioners and beneficiaries, and assets worth more than R1,61trn. GEPF is a defined benefit pension fund that was established in May 1996 when various public sector funds were consolidated. Our core business, which is governed by the Government Employees Pension Law (or GEP Law), as amended, is to manage and administer pensions and other benefits for government employees in South Africa. https://www.GEPF.gov.za/ dd 7 October 2021

IMPORTANT TO GEPF MEMBERS AND PENSIONERS

MANY GEPF MEMBERS AND PENSIONERS HAVE SPENT THEIR ENTIRE ADULT LIFE IN A CAREER IN ONE OF THE MANY STATE DEPARTMENTS OR WILL STILL DO SO. PENSIONERS DESERVE TO BE ABLE TO RELAX WITH THE EXPECTATION THAT THEIR PENSION WILL GROW AND KEEP UP WITH THE INCREASE IN THE COST OF LIVING.

THERE IS A GROUP OF PENSIONERS GIVING FREELY OF THEIR TIME AND ENERGY TO KEEP TRACK OF THE WAY OUR PENSION FUND IS BEING MANAGED. THIS GROUP ESTABLISHED A NON-PROFIT ORGANISATION, THE ASSOCIATION FOR THE MONITORING AND ADVOCACY OF GOVERNMENT PENSIONS, KNOWN BY THE ACRONYM AMAGP

AMAGP RESEARCHES AND MONITORS THE PERFORMANCE OF OUR PENSION FUND TO MAKE SURE THAT OUR PENSIONERS RECEIVE THEIR RIGHTFUL PENSION AND THAT THE FUND STAYS SUSTAINABLE. ALSO, TO EXPOSE ANY ATTEMPT AT USING THE FUND FOR ANY OTHER REASON THAN FOR THE BENEFIT OF ITS MEMBERS AND PENSIONERS. THE AMAGP ALSO COMMUNICATEd WITH AND RECEIVES CO-OPERATION FROM OTHER INSTITUTIONS THAT HAVE AN INTEREST IN THE GEPF, FOR THE PURPOSE OF PROTECTING AND PROMOTING THE INTEREST OF ALL THE GEPF MEMBERS AND PENSIONERS.

WHEN AMAGP NEGOTIATES ON BEHALF OF MEMBERS AND PENSIONERS OF THE GEPF, IT NEEDS A LARGE MEMBERSHIP, TO LEND CREDIBILITY TO ITS NEGOTIATIONS AND TO PROVE REPRESENTATION.

GEPF MEMBERS AND PENSIONERS ARE KINDLY REQUESTED TO JOIN THE AMAGP BY COMPLETING AN APPLICATION FORM THAT IS AVAILABLE ON THE WEBSITE www.amagp.co.za, OR THE FACEBOOK PAGE GEPF WATCHDOG. THE APPLICATION FORM CAN BE COMPLETED ONLINE OR PRINTED. APPLICATION FORMS WILL BE SENT BY E-MAIL TO ANY PERSON THAT SUPPLIES AN E-MAIL ADDRESS.

ENQUIRIES CAN BE ADDRESSED TO AS KLEYNHANS AT as.kleynhans@outlook.com

The Editor's Word

Note. The Fund's investment values used in the newsletters are from the 2019 GEPF Annual Report, said values probably in 2018 terms as the figures in the Fund's AR are usually a year or more old.

This is the time of the year for AR. We are especially interested in the GEPF and PIC AR, as they should tell us all about the financial status of both. The PIC AR has been released and might reward your time in reading it. Media reports only tell you what the journalists think they understand about the reports. The AMAGP analyses will follow later to explain in easy to understand terms what the implications for the GEPF and its members and pensioners really are.

Interesting how many AR are now being hailed as 'integrated'. Implying that the reports previously were haphazard as they didn't cover everything? Meaning we should be concerned that previous AR didn't provide the full and actual details? Hmmm

There is a difference between being retired and being on pension. Being retired means you aren't in the formal work force anymore and don't intend to be but you don't necessarily have a pension. Being on pension means that you have finished working at a certain company or business or whatever, and have a guaranteed income forever to meet your expenses. You may have started a second career as a pensioner. Some first world countries have a retired people in their forties and fifties.

! VOTE ON 1 NOVEMBER !

Reminding all Fund members and pensioners to vote on 1 November. Keep in mind if you don't vote you can't complain about what the 'government' does, as you didn't vote! This is an opportunity that doesn't come that often.

Vote for the party [DA, Freedom Front, EFF, ACDP, Inkatha, UDM, Good, etc] or movement [ANC is still a movement and not a party] that you think will ensure your Fund remains viable for you to retire comfortably.

If you didn't vote you can't complain about the 'government'! If you do vote, you can complain because then the 'government' isn't doing what you voted for it to do.

Now for news from the media

Planning for retirement usually strikes us when we want to retire, which is too late. Here are some guidelines to consider, planning for retirement can never start too early.

A brief explanation about options to consider when you consider withdrawing some of your pension before going on pension. Sounds attractive but isn't really.

The PIC is still busy implementing the Mpati Commission's recommendations, it says, with suspended employees costing in the region of R800 000/month. Including the previous CEO taking the recommendations under review, meaning going to court and probably ending up after several appeals at the Concourt. Hopefully SARS will investigate the source if his lawyers' payments, as the lawyers will probably be the main winners.

Ed Herbst is again providing us with food for thought, about Survé's media's lies and lack of ethics. And Ed provides references too. Whenever, dear reader, you read or see any article or report about Survé, AYO, Independent Media, Sekunjalo, please be sure to note the source or author. Especially if it paints any of those in a positive light. Always refer back to the facts of the matter, so as not to be blinded by the generous verbosity of the wordage extolling the non-existing goodness of those instances. You will enjoy the detail Ed provides in his article.

A report stating the PIC's assets grew by billions is confusing the ownership of the assets with the management of these assets. Still, it is a huge amount to be managing.

The Steinhoff saga includes a BEE deal, Lancaster, which is quietly percolating along together with all the other claims. Let's know a bit more about the Lancaster litigation.

Nedbank is buying back its preference shares. The influence on our ROI will probably only be known by this time next year with the next GEPF AR.

The PIC and Sanral have released their AR. The reports have incredible amounts and figures with very little to what they actually mean. I hesitate to comment as I haven't read the reports, and the figures don't explain themselves. AMAGP will, in due course, analyse and reveal what they actually mean. It may take some time, as you know we are all unpaid volunteers offering up our time.
It might be worth your time to read the PIC AR as it patrols through economic and financial relevancies to arrive at the why of its results. I'm going to read it and the financial statements so I can see what the PIC concludes the future holds in for SA. Download them from the PIC website
https://www.pic.gov.za/Pages/integrated.aspx

Lastly, another view on pension reform. It seems our pension approach and system in South Africa really needs review to drag it into the South Africa of today and tomorrow. This isn't going to be easy or quick or painless.

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Synopsis

Retirement isn't an event. It's a mindset – no matter your age.

By GLM Team
Gauteng Lifestyle Mag
4 October 2021

Retirement is perhaps the most misunderstood stage of our lives. We normally think of it as a time to settle down when we're too old to work. But what if you were to imagine it as the next big adventure in your life, a coming time when you can attempt the things you really wanted to do when you were so busy focusing on your career and raising families?

Daphne Rampersad, Investment Advice Product Owner at Liberty, believes it's time to change the way people think about their futures. "The mindset around retirement planning has to change. We used to ask: when I retire, will I be okay? But it needs to be more than that. We should be asking: Will I be happy?"

In 2020, the South African Retirement Reality Report revealed that 49% of South Africans don't have a retirement plan, and 75% of the people who do, say they are concerned they may not have enough to live on when they retire.

But retirement planning shouldn't be a cause of anxiety because it's never too late to build towards your future.

Approaching retirement from different life-stages

"Your age doesn't matter. The planning isn't about building up to a lump sum. It's about finding the answers that will help define your future. Maybe you want to retire early. Maybe you want to travel. It's entirely up to you, and that's not scary, that's exciting," says Rampersad.

Regardless of your stage in life, Rampersad says that there are always interesting questions to ask that can make your journey towards retirement an adventure.

Your roaring 20s, time to dream big

In your 20s, you're just getting started with adulthood. You might be finishing up your studies, looking for work or already starting your career. The question is, what do you want to do – even in the near future? "Young adults shouldn't look at retirement as an 'event'. Saving towards a retirement fund shouldn't be seen as an obligation, rather a means to an improved, fun and adventurous lifestyle," says Rampersad.

"Sometimes, people have more fun with the planning and waiting for their big holiday than on the trip itself. Planning and saving for retirement is the same. Imagine what you can do if you're financially prepared for your future," she says. Retiring early, using your retirement savings to start a new business, buying the things you want, starting brand new community initiatives. The possibilities are endless. Starting your retirement fund early also means you get the benefit of compound interest, which means your fund will increase over a longer period.

Enriching your relationships in your 30s

Most people are still developing their careers and families in their 30s, but this is a time when you may be asking which relationships you want to cultivate as you get older. You want to ensure that your finances allow you to do this, whether it means having enough money to travel to see relatives and friends or protect your immediate family from financial burdens.

"This is the point where you can prioritise the people around you, and it's important that your retirement planning at this stage of your life comes from a place of care," says Rampersad. Retirement annuities and investment plans are flexible, which means that even if your priorities change, you can find a way to balance your family's needs with a fun, exciting future. Not worrying about your future-self's finances means less stress and more time to focus on other projects.

Re-engaging with your purpose or finding a new one in your 40s

As you settle into your 40s, maybe you're still hustling. Maybe you're already established. But what's important is finding satisfaction in what you do. Planning for your retirement at this age is an opportunity to re-examine your purpose, remembering what's most important to you.

"Retirement isn't a line drawn in the sand. It could be the time when you make new goals, like taking the time to build a new business using part of your savings and retirement fund earnings, travelling, or educating yourself. It's not the end of a chapter, it could be a whole new story," says Rampersad.

Whatever your age, you don't have to do it alone

It doesn't matter how old you are: financial planning shouldn't be something you have to do by yourself. Trained professionals are out there to help you. "Financial Advisers aren't just number-crunchers, they're people who can give you the objective, meaningful advice you need to transform your life, regardless of your financial situation," says Rampersad. "So, when you're planning for your retirement, they're listening to what you want and will help you put together solutions so you can make your vision a reality," she says.

Comment

Good advice. Instead of retirement being sitting down and doing nothing, it should be focused on what fun things am I going to do! This is why we need to take care of our Fund's funds to be sure we have those fun times!

Synopsis

How much money you would get under South Africa's planned two-bucket retirement system

Businesstech
Staff Writer
7 October 2021

Actuarial modelling by the Retirement Matters Committee of the Actuarial Society of South Africa (ASSA) shows that National Treasury's proposed "two-bucket system" is likely to result in significantly higher monthly retirement income for pensioners.

The proposed plan would allow a portion of savings to be accessed ahead of retirement while the balance is reserved for the longer term. This results in the so-called "two bucket system" where one bucket is accessible, and the other is preserved for future retirement benefits, said Natasha Huggett-Henchie, a member of the Retirement Matters Committee and principal consulting actuary at NMG Consultants and Actuaries.

The actuary said that a well-designed, actuarially sound, two bucket system, would solve two problems for retirement fund members:

- They will have access to emergency funding when needed;
- Their savings will benefit from compound growth, leaving them with a substantially bigger nest egg on retirement.

This system has the potential to triple pensioner income and should allow for early access of funds, the nation's Actuarial Society said. If two-thirds of the funds are put away for longer that should improve the outcome threefold, Huggett-Henchie said.

What it will mean for your money

To illustrate the impact of the new system, the members of the Retirement Matters Committee modelled the following scenarios:

- **Scenario 1:** A retirement fund member who joined a fund at 20 changes jobs every seven years and withdraws the full benefit every time. However, once they reach 50, they will focus on saving for their retirement and start preserving their benefits until 65.
- **Scenario 2:** The two buckets system has been implemented and the member, who joined a retirement fund at 20, has access to one-third of their benefit in the access pot. The member withdraws the full available amount in the access pot every five years until they reach 65.

Scenario 1

The member in the first scenario is likely to retire with a net replacement ratio [NRR, the ratio of the member's pension expressed as a percentage of their pre-retirement salary] of around 15%, which means that they will have to learn to survive with a monthly pension equal to 15% of what they earned in the year before they retired.

Huggett-Henchie said that if this member further reduced the retirement benefit by taking another cash portion at retirement, the NRR would drop to 10%.

Therefore, someone earning R20 000 a month before retirement would now have to survive on R3 000 a month, reducing to R2 000 if they take a lump sum at retirement.

Scenario 2

By contrast, the member in the second scenario will retire with an NNR of 36% on the full benefit, or 32% if the cash portion is accessed. In other words, the monthly income is more than three times higher than if they had been allowed to follow the path of the person in the first scenario.

Huggett-Henchie said that despite withdrawing their full one-third over their working years up to retirement, the remaining amount would benefit from compounding. Staying with the example of someone earning R20 000 a month before retirement, this person would have access to a monthly pension of R7 200, reducing to R6 400 if they take a lump sum.

Huggett-Henchie stressed that the best outcome is achieved by retirement fund members who never access their retirement savings, thereby enabling the power of compounding.

"Someone who doesn't access their benefits ever could end up with an NRR of almost 52% if they don't take cash at retirement, or 32% if they do. The rand equivalents are a pension of R10 400 per month, or the same R6 400 if they take a lump sum, relative to the salary of R20 000."

For this reason, all retirement fund members should be provided with meaningful information about the impact of accessing their emergency bucket on their long-term retirement aspirations, she said.

Rules regarding access

The pension reforms have been on the agenda for almost a decade, noted Bloomberg, but gained momentum after coronavirus lockdowns. That led to mounting calls on the government to make retirement provisions more readily accessible, a step that could have dire consequences if mishandled and pensions are squandered, Bloomberg said.

National Treasury is still working out the details of how a new system will work. The Retirement Matters Committee has made several recommendations for consideration based on its modelling work, especially regarding the rules and restrictions regulating the accessibility of the emergency portion.

Huggett-Henchie said the committee feels strongly that there should be absolutely no need-based rules, as this is open to abuse and very onerous and costly to administer.

“Our modelling indicates that forcing the compulsory two-thirds preservation actually improves outcomes at retirement, and members are going to find a way to borrow against or spend their one third anyway. Access to the one third should therefore be available to all retirement fund members regardless of need.”

She further pointed out that the frequency of withdrawal from the access pot does not affect the ultimate net replacement ratio at retirement. “If you withdraw more frequently you just get a smaller cash amount each time as it doesn’t have time to build up, but the preservation part remains unchanged.”

Comment

Admirable options to consider, except if you realise, that no matter what you think, if you withdraw any amount from your pension before going on pension, you are going to be scraping to even survive when you retire.

Synopsis

PIC pauses probe on Matjila and faces delays in finalising other executives' disciplinary enquiries

fin24

Londiwe Buthelezi

The PIC says it had to put its investigation of former CEO Dan Matjila on hold as he is challenging the Mpati Commission's report. The PIC is also battling delays in finalising investigations of other staff members, including its CFO, who has been on precautionary suspension and on full pay since March 2019.

PIC CEO Abel Sithole said the delay in finalising the investigations for the suspended employees was a result of the complexity of some of the matters that the company is probing. "With regard to the ... CEO, you must remember that he has applied to take Mpati Commission report on review, and that's his prerogative. And to the extent that some of those methods that he is involved in are subject to that review, we must follow that process," said Sithole during the presentation of the PIC's 2021 integrated report on Thursday.

Sithole said the PIC has taken action on recommendations where there were no legal stumbling blocks to go ahead.

A two-and-a-half-year suspension, on full pay

The PIC initially suspended its former CFO Matshepo More in March 2019 when the Mpati Commission was still probing the company. The PIC announced an extension of her suspension in May 2020. It charged her for signing a memo approving a R4,3bn transaction involving Iqbal Survé's AYO Technology in 2017, before the organisation's management committee could approve it.

Sithole said the PIC has asked More to respond to several issues, and that probe was still under way. He said to the extent that there are still disciplinary actions being taken against her, More and the former executive head of human resources, Chris Pholwane, remained employees and have to be paid until the PIC finalises its probe.

Pholwane is currently on special leave. The Mpati Commission recommended that Pholwane be the subject of disciplinary action for allegedly misleading his senior management and the board by falsifying results of an employee survey, which showed a culture of fear and victimisation within the PIC.

Pholwane earned R3,76mn in the year ended on 31 March, More earned R6,9mn, and Rajdhar earned R4,8mn while suspended.

Comment

Wouldn't hurt the PIC to state publicly which recommendations have been actioned and what the actions are.
It wouldn't hurt either if the suspension should stop. Get them back to work, in positions where they wouldn't influence the activities negatively. Etc.

Synopsis

When journalists lie: Mpati Commission findings expose the truth

By Ed Herbst
8 October 2021
the media online

Business Report can reveal that the report made no adverse findings against Matjila, Sekunjalo chairperson Dr Iqbal Survé and his companies, and other black-owned companies. Sou rces claim that Matjila was described as a credible witness and his submission to Judge Lex Mpati as impeccable. ~ Sizwe Dlamini and Adri Senekal de Wet **PIC Inquiry report clears ex-CEO Dan Matjila, black-owned companies,** *24 February 2020*

Sekunjalo Group Chairman Dr Iqbal Survé says he intends to take the findings of the Mpati Commission of Inquiry on legal review. The Commission probed improprieties at the PIC and contraventions of legislation that led to undue benefits. Some of the findings include that Sekunjalo's subsidiary AYO Technology's shares were manipulated by Survé. This meant the PIC bought R13bn worth of AYO shares when the assets of the company were valued at R292mn. ~ **Dr Iqbal Survé to take Mpati Commission of Inquiry findings on legal review** *SABC TV News,* 12 May 2021

In late 2018 Dougie Oakes, the former political editor of the *Cape Times,* wrote a prescient article headlined 'Time to go, Iqbal'. There was no response from Independent Media to the article, which contained this sentence: 'I've never come across a group where lies have been peddled with such glib assurance …'

His claim became incontrovertible after the release of the final report of the Mpati Commission in March 2020.

Anyone who watched 77 witnesses give eight months' of televised under-oath evidence at the Mpati Commission of Inquiry, must have realised that the Commission's final report would, inevitably, be a damning indictment of Iqbal Survé and Dan Matjila.

To counter this, Independent Media launched a frenzied and brazenly dishonest pre-emptive propaganda campaign. Six front page articles were pumped out between December 2019 and March 2021 by Adri Senekal de Wet, Ayanda Mdluli and Sizwe Dlamini proclaiming that first a 'leaked' report and then the report itself had completely exonerated Survé and Matjila.

Devoid of truth

At the time both Rebecca Davis and Ed Herbst, providing empirical evidence to the contrary, pointed out that such claims were devoid of truth as even a cursory reading of the Commission's final report proved beyond any shadow of doubt.

The intro sentence to Davis's Daily Maverick article said it all: "Almost three weeks before the public release of the PIC report, the Iqbal Survé-owned Independent group was claiming that the report cleared both Survé and former PIC CEO Dan Matjila of any wrongdoing. That was a lie."

Anyone with access to the internet need merely go to page to page 60 of the report and read for themselves why the Mpati commissioners called for all the transactions involving Survé and Matjila to be investigated. Here are a few extracts:

- Page 60: *The Sekunjalo investments showed a marked disregard for PIC policy and standard operating procedures*.
- Page 122: *Dr Matjila's justification for investing in AYO is moreover a post facto tailoring of facts and a dishonest one. He vacillated in relation to what authority he had been acting on when he signed the AYO irrevocable subscription form.*
- Page 317: *The Sekunjalo investments showed a marked disregard for PIC policy and standard operating procedures*.
- Page 317: *The close relationship between Dr Matjila and Dr Survé created top down pressures that the deal teams experienced to get the requisite approvals.*
- Page 339: *From the outset it appears that the PIC's interactions with and investments in the Sekunjalo Group were questionable. The different investment proposals emanated from direct discussions between Dr Survé and Dr Matjila*.
- Page 341: *The AYO transaction demonstrates the malfeasance of the Sekunjalo Group, the impropriety of the process and practice of the PIC as well as the gross negligence of both the CEO and CFO.*
- Page 413: *The proposed Sagarmatha transaction, including the suspected share* price *manipulation and essentially attempting to use the PIC's own investment to pay the debt INMSA owed to the PIC, demonstrates a lack of ethics, lack of compliance with laws and regulation, and a disregard for the best interests of the PIC and its clients*.

That's as far away from complete exoneration as darkness is from light yet there was no response to the articles by Rebecca Davis and Ed Herbst. The denouement came when the very people they were seeking to protect with their mendacious journalism threw Senekal de Wet, Mdluli and Dlamini under the bus.

Given the presumably welcome and seemingly satisfactory 'exoneration' outcome as proclaimed in Independent Media outlets, why did Iqbal Survé tell parliament's SCOF 15 months later that he was taking the findings of the Commission on legal review?

Consider, furthermore, this article by Dlamini, the one headlined 'Dan Matjila owed an apology by media', the article in which he accuses South African journalists working for rival media companies of being racists:

> "Dan Matjila is a man of great integrity, skill and ability. Those who doubted his integrity owe him a sincere apology by the media. He is someone that South Africa's business community can ill afford to lose. Perhaps had Matjila been running some of our SOE they would actually be contributing to the fiscus and not draining us.
>
> "If I had a choice, I would insist that the President appoints Matjila to run the state bank or sovereign fund which he alluded to in his SONA address."

If that is true, if Matjila was totally exonerated by the Mpati Commission as Dlamini, Senekal de Wet and Mdluli claim, why did he file a review application in November last year?

Among the assertions Matjila is challenging are the Commission's statements that he was "economical with the truth" when he testified before it, that he was quick to take credit when things went well but passed the buck when the outcome was bad, and that he did deals that added no value to the PIC.

Both accounts can't be true. If the Mpati Commission found no fault with him, according to Independent Media reports, why is Matjila challenging the Commission findings? Why, in fact, has he not publicly welcomed the Mpati Commission final report?

What prompted these journalists to gamble their professional reputations by writing such articles to protect two people whose conduct has harmed the financial security in the final years of their lives when they are at their most vulnerable of almost two million government employees and current civil service pensioners? Their 'exoneration' articles reveal the cynicism behind the Sekunjalo corporate mission claim to always "Do good, do well".

Have Dlamini, Senekal de Wet and Mdluli noticed and would they care to comment on the fact that the AYO shares which Matjila's interventions caused the PIC to buy for R43 each are now selling on the JSE for R3 each? That has resulted in a R4bn decline in the value of the PIC's investment and a concomitant loss to the civil servants whose monthly stop-order pension fund deductions made this share purchase possible.

Damning indictment

Far from being an exoneration, the Mpati Commission's final report is a damning indictment of Survé and Matjila. This was accurately reflected in the contemporary headlines and articles by journalists working for rival media companies:

Kyle Cowan. PIC investments in Survé's Sekunjalo Group clearly flouted policy, report finds.
Ann Crotty. PIC and Sekunjalo: a bizarre, value-destroying relationship.
Alec Hogg. Mpati's final report delivered: Survé Media has run out of road..
Ray Mahlaka. Dan Matjila's conduct was 'wholly improper', inquiry finds.
Tando Maeko. PIC Commission – Matjila acted improperly on AYO deal.
Helena Wasserman. The biggest bombshells in the PIC report, which is absolutely scathing of Dan Matjila.

So unconvinced by the exoneration claims in the articles are the 50 000 members of the Association for Monitoring and Advocacy of Government Pensions (AMAGP) that they have called for the prosecution of Iqbal Survé and the seizure of his assets.

A similar call was previously made by the South African Federation of Trade Unions (SAFTU) on behalf of its 800 000 members in 22 affiliated trade unions.

The DA also repudiated Independent Media's 'false claims' of Mpati Commission exoneration and called for prosecution.

Furthermore, the damning findings of the Mpati Commission were welcomed by the PIC Board. What is also significant is that the markets and the JSE are equally unconvinced by their Mpati Commission exoneration fables.

For fear of suffering reputational harm and financial loss, two banks, ABSA and FNB, have severed their ties with companies linked to Survé. His auditors, BDO, no longer wish to be associated with him and Sasol, AYO's biggest client, has withdrawn from an agreement with it. Furthermore, he is no longer represented by Webber Wentzel, one of the most respected legal firms in the country (and before them it was ENS) and the local branch of BT Telecoms has also headed for the exit.

My subjective sense is that that there might have been two factors at play in motivating Senekal de Wet, Mdluli and Dlamini to disseminate these falsehoods: fear and hope.

Fear

The fear that, in a company where the company owner dictates news coverage, they would suffer the same fate as Alide Dasnois and Wally Mbhele if they did not comply. The disturbing treatment of columnist Azad Essa would only have exacerbated such fears.

Hope

With the hopelessly-insolvent Independent Media having cut their salaries by 40% and shifted them onto the AYO payroll, they might have hoped that, by propagating the myth of Mpati Commission exoneration of Survé and Matjila, their personal financial situation might improve.

This raises a fundamental question about the processes and policies that prevail in Survé's newsrooms: why did the sub-editors pass the evidence-free Mpati Commission report 'exoneration' articles for publication?

The answer is provided in the book Paper Tiger by former Independent Media editors, Alide Dasnois and Chris Whitfield. The ethical newsroom staff were hounded out of the company or retrenched to facilitate a situation in which the company owner, his family and friends feature in his newspapers virtually every week, a step unprecedented in South African media history.

Fake news reporting

In a recent article, amaBhugane's Dewald van Rensburg alleges that Matjila and Survé colluded to ensure that the PIC would never be able to reclaim the loan which facilitated the purchase of the Independent Media titles in 2013. If this claim is not true, provable and in the public interest, then it is clearly defamatory. I can, however, find no reports by

Senekal de Wet, Mdluli and Dlamini challenging the essence of this article. Why?

For the past eight years, Independent Media's sordid reporting and fake news has brought South African journalism into disrepute with, most recently, the biologically-impossible Tembisa Ten claims by Piet Rampedi inviting international and local ridicule.

This unethical reporting has, since 2013, been made a matter of record by former employees and by SANEF. And by the SA Press Council and by the Satchwell commission of inquiry into unethical journalism and by readers.

What has further undermined media credibility locally was the apartheid era funding personallly organised by Arthur Fraser to promote the Zuma faction of the ANC.

It goes without saying that lying and ethical journalism are irreconcilable concepts and that liars should have no place in the profession. We don't know whether Senekal de Wet, Dlamini and Mdluli lied about the Mpati Commission totally exonerating their employer and Matjila of their own volition or whether they were simply following orders.

Gone rogue

Commenting on the 'Tembisa Ten" debacle, Anton Harber wrote: "So the problem goes beyond Rampedi and the Pretoria News. One of our largest media groups has gone rogue, throwing journalism principles out of the window, appointing key people without professional judgement or integrity and is now heading for the trash heap."

The Sekunjalo Independent Media tragedy continues to unfold and continues to claim victims. A matter of profound public interest given the vital role that ethical journalism plays in buttressing democracy and the fact that, as AMAGP has pointed out, the GEPF will never see a return on the monies invested in Iqbal Survé-linked companies by Dan Matjila.

Where, when and how will it end?

Comment

A good summary of Sekunjalo and Survé's PIC media machinations. The salient question is, when is this all going to implode and where will Survé when it happens?

Synopsis

PIC grows assets to R2,3trn as UIF performance is slowed by TERS

fin24

Sibongile Khumalo
30 September 2021

The PIC, which was in 2018 subject to a lengthy inquiry into its affairs, has increased its asset management by nearly R440bn in 2021, to R2,3trn - boosted by growth in its portfolios, it was announced on Thursday.

CEO Abel Sithole said client portfolios had shown growth in the 2021 financial year, apart from the UIF, which has been paying out relief benefits to millions of members affected by the Covid-19 pandemic.

The GEPF portfolio, which is the PIC's biggest client, grew by 28% to over R2trn, up from R1,633trn the previous financial year. Its third largest client, the Compensation Commissioner Fund, increased assets by 21% over the reporting period to R47bn, while the Compensation Commissioner Pension Fund, its fourth-largest client, posted a 27% jump from around R27bn to more than R34bn.

The PIC's operations came under sharp scrutiny in the Mpati Commission of Inquiry. The fund said it continues to implement its recommendations and is "working closely with law enforcement agencies to ensure that those implicated have their day in court".

According to the fund, the board led by veteran administrator, Reuel Khoza, is working with an advisory panel led by retired Justice Yvonne Mokgoro to crystallise some aspects of the commission's recommendations that merit forensic investigation.

Khoza, who is the fund's interim board chairman, was appointed in July 2019, charged with "restoring the PIC to its former glory". He said the board had effected several "notably positive changes and improvements" which include the revision of the memorandum of incorporation, introduction of a new management model that decoupled the position of the chief executive officer and the chief investment officer.

Previously the CEO of the PIC also acted as its chief investment officer.

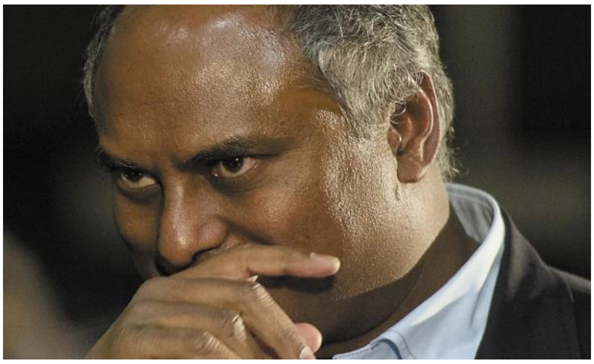
Comment

The reference to the fund is unclear, but should be PIC I presume.
I have my doubt about the meaning of the figures, as the GEPF AR for 2020 [figures ending March 2021] hasn't been released yet. The increase of 28% only states 'portfolio growth'.
The GEPF website right now today states our Fund's funds as being R1,61trn.
I have concerns doubt about what is actually meant by portfolio growth. I'm reasonably certain it doesn't mean increased ROI. The AR will probably reveal most but definitely not all the finances we want to know about.

Synopsis

Judge rules chair of Steinhoff's BEE partner Lancaster wasn't 'empowered' to sue retailer

fin24
Jan Cronje



Jayendra Naidoo.
Craig Nieuwenhuizen

A Western Cape High Court judge has ruled that Jayendra Naidoo, the chairperson of Steinhoff's black economic empower partner Lancaster 101, was not "empowered" to attempt to claw back R4,5bn from the retailer in 2019.

In 2016 Lancaster 101 acquired about 60 million Steinhoff shares at a price of R75 per share in an economic empowerment transaction. But it lost billions when Steinhoff's stock plunged in value in late 2017. In April 2019, Naidoo launched a lawsuit against Steinhoff to undo the R4,5bn share sale and claim the money back.

While the case has been slowly moving through the courts, last week it hit a snag when the Western Cape High Court ruled that Naidoo had not been empowered to authorise law firm ENS to institute legal proceedings against Steinhoff on behalf of Lancaster 101.

Who owns Lancaster 101?

Lancaster 101 is 50% owned by the PIC. Its remaining shares are equally split between non-profit company the Lancaster Foundation and the Lancaster Group, which Jayendra Naidoo wholly owns.

While the court did not rule on the merits of Lancaster 101's case, the judgment had the effect of stopping its legal challenge.

Judge Deidre Kusevitsky noted in her judgment that, under the Companies Act, if a director has a "personal financial interest" in a court case, then a company must hold a full board meeting to discuss how to proceed. Steinhoff argued that Naidoo had fallen foul of this administrative rule, meaning Lancaster 101's challenge did not have a solid foundation.

While Lancaster 101's attorneys produced a written board resolution to show the board backed the proposal to claim money back from Steinhoff, the retailer argued that this did not show that a board meeting had been held.

Kusevitsky also noted that the Lancaster Group, whose sole shareholder is Naidoo, had been paid an underwriting commission of R129mn for facilitating the share deal in 2016. This meant that Naidoo clearly had a personal financial interest in the case.

The judge said that no evidence was presented that Naidoo's personal interest had been disclosed when the decision to sue Steinhoff was taken. "Since Naidoo and, by extension, Lancaster 101's authority is derived solely from the impugned resolution, Naidoo was not empowered to authorise ENS to institute legal proceedings," she ruled.

In response to a request for comment, Lancaster 101's lawyers on Friday noted that the court only dealt with Rule 7 of the Uniform Rules, which provides a mechanism to establish the authority of an attorney acting on behalf of a litigant.

"Despite the narrow ambit of the Rule 7 proceedings, the Court saw fit to remark on Mr Naidoo's fiduciary duties and issues relating to public policy; notwithstanding, that these matters were not implicated in the Rule 7 proceedings, and that no relief had been sought by any of the parties which required the Court to do so."

Now what

While the ruling doesn't block Lancaster 101 from restarting the case if its board meets to pass a new resolution, time is in short supply. Steinhoff is currently seeking to have a court approve its proposal to settle all lawsuits with creditors by paying out about R25bn in compensation.

If courts in the Netherlands and South Africa both sanction the plan, and a separate bid to liquidate Steinhoff fails, then the settlement proposal will become binding on all creditors – including Lancaster 101.

Under the proposal, claimants will be paid out a proportion of their verified claims stemming from the dramatic drop in Steinhoff's share price. They will have to drop all legal challenges against the retailer, which will not admit any liability.

Comment

The PIC doesn't own those shares in Lancaster, the GEPF does.
Let's sit back and see how the lawyers make more money out of the further litigation.
We have about R6bn in Lancaster and about R959mn in Lancaster Group. Which questions the 'Jayendra Naidoo wholly owns' *part of the report.*

Synopsis

Nedbank preference shareholders get a liquidity event

11 October 2021
INCE|Community
The Finance Ghost

After releasing a cautionary announcement regarding its preference shares on 21 September, Nedbank has now made a firm intention announcement to acquire all its preference shares under a scheme of arrangement, with a standby offer in place in case the scheme doesn't go through.

These shares were issued between 2002 and 2010 at a time when banking regulations made preference shares an attractive source of capital for banks. Changes to banking regulations have made preference shares less appealing for the banks. From 1 January 2022, there is no benefit at all to Nedbank under regulatory capital rules from having preference shares in issue.

The bank is acting in its own interests here, not the interests of preference shareholders, which is the correct approach. The directors have a fiduciary duty towards the company itself, not a specific group of capital providers.

Having said that, preference shareholders will likely be happy with this liquidity solution. Over the lifetime of the shares, trading volumes and liquidity were low, with a resultant negative impact on pricing.

The shares were originally issued at between R9,90 and R10,68. Before the cautionary announcement in September, they were trading at R7,66. After the cautionary, this jumped to R9,94 before the firm intention announcement was released. Remember that over this period, the preference shares would've paid dividends as their primary reason for existence, so there's a story beyond the traded price.

The price offered to holders under the scheme of arrangement is R9,79. Those who opportunistically bought preference shares in the hope of a buyout have done well.

If for any reason the scheme isn't approved by shareholders (unlikely in my view), there is a general offer at R9,04. Nedbank has received letters of support from holders of 24,13% of the preference shares, mainly asset managers and insurance companies.

If the scheme goes ahead, Nedbank will pay R3,5bn to make these preference shares go away.

Comment

We have about R11,2bn in Nedbank, I don't know if it includes the preference shares.

Synopsis

TITBITS

fin24

By Karyn Maughan and Jan Cronje
23 March 2021

The South African Reserve Bank is being sued for allegedly enabling Steinhoff to move assets worth €19bn overseas while the group was technically insolvent – and allowing its local entities to settle claims by foreign investors "to the detriment of the South African economy".

The litigation appears to be aimed at challenging the lawfulness of Steinhoff's efforts to enter into a "global settlement" with litigants.

Comment

Some information to keep thoughts current on our investments.

Synopsis

Facts, figures and more from the PIC's annual report

Moneyweb
By Barbara Curson
11 Oct 2021

Image: Moneyweb

The PIC celebrates its 110th anniversary this year.

The PIC's investments span domestic listed investments (85,93%), domestic unlisted investments (5,17%), and offshore and rest-of-Africa investments (8,9%).

Financial highlights

For the financial year ended 31 March 2021, assets under management increased to R2,3trn (2020: R1,9tr). This constitutes a small increase from the 2019 figure of R2,1trn.

The GEPF is the PIC's largest client, comprising 89,24% of assets under management.

Profit for the year amounted to R528,2mn (2020: R189mn), and total comprehensive income for the year was R535,9mn (2020: R198,8mn) after taking into account the share of comprehensive income of equity-accounted investments of R7,7mn (2020: R9,8mn).

Dividend income amounted to R18,7mn (2020: R29,3mn), and interest income amounted to R176,9mn (2020: R200.3mn).

No dividends were declared in the current financial year. The dividend of R99mn declared in 2020 has not yet been paid.

Financial assets at fair value

The PIC does not disclose the details of assets that it holds on behalf of clients, and therefore it is not possible to ask any questions, such as whether it holds bonds in any struggling state-owned entities on behalf of the GEPF.

One would then expect that the GEPF will provide all the details of its investments, including the Isibaya Fund schedule, and be in a position to confirm that it is in agreement with all the valuations placed on the investments held on its behalf by the PIC, including the expected credit losses.

New executive model

A new executive model was introduced, leading to the appointment of a chief executive officer, acting chief investment officer, chief operations officer, chief risk officer, chief technology officer and head of ethics.

Associates

The PIC has a:

- 46% shareholding in Harith Fund Managers;
- 30% shareholding in Harith General Partners;
- 30% shareholding in Bophelo Insurance Group or 'BIG'; and
- a 7,31% shareholding in the SA SME Fund.

Harith Fund Managers and Harith General Partners both have a financial year-end consistent with that of the PIC (March), while BIG and the SA SME Fund have theirs in February.

Nzalo Insurance Service and Bophelo Life Insurance are currently going through liquidation.

Audit report

The PIC was given an unqualified audit report by the Auditor-General (AG) of South Africa. However, the AG made some concerning observations, including:

- An enhanced due diligence (EDD) was not always performed on politically exposed persons (PEP) as required by established policy "due to misalignment between the PEP policy and FICA Risk Management and Compliance Programme (guideline)". The AG added that: "The PEP policy requires EDD to be performed for all PEPs identified, whereas the guideline requires EDD to be performed when PEP are identified as high risk."
- Management did not always implement effective financial systems of internal controls to ensure accurate disclosure notes to the financial statements, nor adequate measures to ensure compliance with applicable legislation.
- The internal control system failed to prevent the irregular expenditure of R7 250 000 paid to a former employee.

Implementing the recommendations of the Mpati Commission

More than a year later, the PIC is still implementing the Mpati Commission's recommendations. It is doing so with the assistance of an advisory panel led by retired Justice Yvonne Mokgoro; "the board will crystallise those aspects of the Mpati Commission recommendations that merit forensic investigation". "The PIC is working closely with law enforcement agencies to ensure that those implicated are brought to book" and implicated employees "were subjected to disciplinary processes".

High-earning executives are still on suspension. Sithole did confirm that certain matters have been handed over to the National Prosecuting Authority (NPA).

Why the fuss about 4%?

Sithole noted in the PIC's integrated report that: "The predominant concerns the [Mpati] Commission raised relate to past investments made in the PIC's unlisted Isibaya portfolio."

The Isibaya Fund invests in high impact areas for socioeconomic development. Unfortunately, not all the equity investments and loans were made for the right reason.

The Mpati Report questioned the PIC's "thoroughness in conducting its due diligence as well as its assessment of cumulative and reputational risks", granting a single party an investment in more than one project, and found that the PIC undercut the objectives of the Isibaya Fund.

Sithole however points to the small size of the Isibaya Fund, that it comprises only 4%

(R70bn) of the total investments, and that "most of the PIC's investments [96%] were and are not the subject of allegations of impropriety".

Part of the 96% will include the investments in Steinhoff and Ayo Technology. The PIC refers to these as "distressed investments", and is "making a concerted effort to find resolution".

If an asset manager with more R2trn investments thinks that a badly managed fund only constitutes 4% of all the assets under management, there is a problem.

Comment

The PIC manages all those assets for clients, does not own them. Thus, it is accountable to those clients for the management of those assets. I trust the GEPF doesn't just accept the PIC value of the investments but ensure the values are indeed correct.
Why does the PIC need 'associates'? What does that actually mean?
It is of concern the PIC glibly skates over the 4% as 'small', implying we don't need to be concerned about such a small problem. Immediately my concern says how many other such 'small' unreported problems are hidden in the AR?
Then the Mpati Commissions recommendations are also very vaguely mentioned, without results indicated. My interpretation is that very little has been or is being done about implementing the Mpati Commission's recommendations.

Synopsis

Sanral's total liabilities top R140bn

Moneyweb
By Barbara Curson
1 October 2021

Image: Moneyweb

Sanral has published its latest integrated annual report for the year ended 31 March 2021, which shows that its total liabilities are a gargantuan R140,4bn (2020: R130,6bn).

Sanral is not only facing mounting objections to the paying of tolls but also mounting liabilities. Cabinet has been tasked with making a decision on the future of the e-toll scheme in Gauteng.

While cabinet dithers, the liabilities to be met steadily grows.

One would think that the major liability would be debt, sitting at R45,9bn (2020: R47,8bn). But no, there is a liability referred to as 'deferred income', which at the end of the financial year is R79bn (2020: R68bn), representing 56,3% of total liabilities (2020: 52,1%).

Deferred income is explained in Note 19 to the annual financial statements as consisting of "deferred government grants and advances from concession contracts". The prepayments on concession contracts "are deferred over the life of the concession".

Sanral contract partners (concession contracts) act as an alternative means for long-term financing to operate and improve the national road network infrastructure. Costs are recovered through toll charges, though considering the e-toll impasse, it is more likely they are 'anticipated to be' recovered in this manner.

There are three concessions: the N3 Toll Concession, the N1/N4 Bakwena Platinum Corridor Concessionaire, and the N4 Trans African Concession.

Total debt

Sanral's total debt at the end of the financial year is R45,9bn (2020: R47,8bn).

Sanral has entered into a loan facility agreement with the European Investment Bank, currently at R40,2mn (2020: R36,9mn).

The government has guaranteed the borrowings of Sanral to the tune of R31,9bn.

Financial performance

Sanral made a profit of R380,3mn for the year to end 31 March (2020: R1,3bn).

Other comprehensive income included an adjustment on a retirement benefit of R4,1mn (2020: R9mn), and a revaluation of land and property amounting to R8,3bn (2020: R36,4bn), bringing the total comprehensive income for the year to R8,7bn (2020: R37,7bn).

However, the accumulated loss as at the end of the year is R14,5bn (2020: R14,9bn).

Sanral's revenue earned of R3,7bn (2020: R4,4bn) includes the government grant.

The value for expected credit losses on toll debtors for days exceeding 365 was R9,6bn on 31 March 2021 (2020: R9,6bn).

Cash flow

The cash receipts from customers of R23,1bn (2020: R23,4bn) includes the unrealised portion of deferred income of R9,1bn (2020: R8,5bn).

The total cash at the end of the year of R29,3bn (2020: R16,5bn) has been tucked away in short-term deposits and repurchase agreements (repos).

Unqualified AG report, but …

The Auditor-General (AG) has given Sanral an unqualified audit report, but with material findings. According to the AG, Sanral's accumulated loss of R14,5bn plus the outcome of the e-toll impasse to be resolved by Cabinet, "indicate that a material uncertainty exists that may cast significant doubt on Sanral's ability to continue as a going concern".

Other material findings include:

- Material impairments of R9,6bn were recognised as a result of expected credit losses.
- Irregular expenditure of R175,3mn was incurred in the year, due to non-compliance with procurement regulations; most of the irregular expenditure was caused by expenditure not approved by a duly delegated authority.
- Investigations into fruitless and wasteful expenditure were not performed.
- Sanral's internal processes and systems did not prevent non-compliance with supply chain management legislation from occurring.

The Directorate for Priority Crime Investigation has been investigating offences perpetrated by various construction companies against Sanral since 2013.

Irregular, fruitless and wasteful expenditure

The opening balance of irregular expenditure at 1 April 2020 was R11,9bn.

During the year, the amount of R10bn was condoned by National Treasury.

The current year's irregular expenditure amounted to R175,3mn.

The major irregular expenditure in the year was R76,3mn (2020: R80,5mn) not approved by the delegated authority or National Treasury, and deviations not approved by the delegated authority or National Treasury.

The truncated amount of cumulative irregular expenditure at the end of the year, quaintly referred to as irregular expenditure not yet condoned, is R1,4bn (2020: R11,2bn).

Fruitless and wasteful expenditure is R18,4mn (2020: R18,3mn).

Comment

We have about R23bn in Sanral bonds. That means the bonds have to be repaid at some stage, with interest. That is why the liabilities should pique your interest.
The accountants delight in making an AR difficult for the layman, so they don't have to explain where and how the losses are and who is responsible. All these figures and amounts don't really explain the massive liability, they just state that it exists. Such as there's a profit but a loss also… Ja, well, no, fine.
The 'deferred income' means we expect you to have an income and when you do indeed have it you will pay some of it to Sanral.

Synopsis

National pension reform: Why we must do it

Moneyweb
By James Stent,
GroundUp
8 Oct 2021


Image: Shutterstock

When the Department of Social Development (DSD) released its Green Paper on Comprehensive Social Security and Retirement Reforms, the proposal to set up a national pension scheme was swiftly shot down.

Such was the force of the opposition that there was no debate about whether South Africa's pensions system is working. Even the Minister of Social Development Lindiwe Zulu did not defend the proposals. Instead, the DSD swiftly withdrew the paper, promising to return it later for public comment..

"Some of the technical aspects of the proposals were not well understood and many have misrepresented the proposals, particularly on the National Social Security Fund. It has become apparent that some of these areas need further clarification to avoid any further confusion," said the 1 September statement issued by Lumka Oliphant, spokesperson for the DSD. And so the public debate on pensions reform died before it could begin.

Yet South Africa's pensions system is broken and unfair.

If you were a South African who was precisely average, on reaching 65, the age of mandatory retirement, every month you would receive 17% of the average monthly income, before tax, you earned while you were working. This is called the replacement rate.

In India, this replacement rate would be 83%; in France, 60%; and the average for the developed world is 49%, according to the Organisation for Economic Cooperation and Development's 2019 report on pensions.

South Africa's replacement rate is the worst of any of the 44 countries in the report. South Africa uses a two-tier system of retirement. People who reach retirement must rely on a private fund or receive the older person's grant.

Private pensions are not mandatory. Some are set up by employers, and both employers and employees make contributions. Some are run through the industrial bargaining councils where employer organisations and trade unions meet. Also, some people buy their own pensions from a financial services provider.

The older persons grant is funded from the fiscus, is available to people over the age of 60, and is R1 890 per month, or R1 910 if you are over the age of 75 – depending on whether you pass the means-test.

Elsewhere in the world, pensions are used to encourage people to leave the labour force, to make room for others, knowing that they will have a replacement income which allows them to live in comfort when they stop working.

How many people get pensions?

According to the annual report of the FSCA we don't actually know. We do know that, according to the most recent annual report, "Total membership of retirement funds in South Africa at 31 December 2018 stood at 17 522 325, of which 11 447 361 were active members and 6 074 964 were pensioners, deferred pensioners, dependents and unclaimed benefit members.

According to estimates based on the latest available data from SARS and the National Treasury, by Andrew Donaldson, former Deputy Director of the Budget Office and Public Policy at the National Treasury and now at UCT's SA Labour and Development Research Unit, at least 6,8 million South Africans contribute to retirement funds.

But a 2020 report by BankservAfrica found that just one million of South Africa's 5,6 million-strong population over the age of 60 received private pensions. Even those with private pensions often do not have enough income. BankservAfrica estimates that half a million pensioners are partly eligible for the Older Persons Grant because their pension income is so low.

South Africa's pensions system was developed in another era, where only white people were virtually guaranteed jobs, and these jobs would often be held for an entire career.

But the country has changed. Workers often shift careers or face extended periods of unemployment. Often workers have to draw from their retirement savings when they lose their jobs. The savings that they do accumulate are taxed on withdrawal, and they have to pay fees to the firms which manage those savings.

But most people who reach retirement age in South Africa do not have any retirement savings. According to the results of 10x's Retirement Reality report for 2020, nearly half of respondents have no retirement plan at all. Most of them cannot afford to put money away each month.

In the first part of a series on funding universal pension coverage, Andrew Donaldson estimates that 57% of employed people are not covered by pensions, over 9 million people. Pension coverage is particularly low among lower incomes.

The Green Paper reports that over 6 million workers in the formal sector have no retirement, disability or survivor benefits, more than a third of all in formal employment. Roughly one million people of pensionable age are excluded from state benefits.

As Chair of Social Security at the Wits School of Governance Alex van den Heever writes, the private pensions market in South Africa is "a pernicious mix of market concentration, product complexity and non-independent advice from brokers who are effectively integrated into the product suppliers." South Africans face huge fees, restrictive conditions, and little choice when it comes to managing their pensions.

Comment

A gloomy but, I believe, a realistic view of South African pensions.
However, note the very clear assumption that you, as a taxpayer and GEPF member, must fund the pension of people who didn't provide for their pensions.
Furthermore, statistics from other countries are just that, when they aren't compared to similar African countries with similar needs and history, which the author casually lets slip by.
Fact is, South Africa really needs review and improvement of pensions and pension funds, without accepting that the taxpayer has to fund pensions for everybody not having a pension on retiring. Not to denigrate that we are socially obligated to assist those who never had the opportunity to provide for their own pension.

THE GEPF WATCHDOG/WAGHOND FACEBOOK PAGE

The GEPF Watchdog/Waghond 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 superb condition. There is, however, another side to the coin! The AMAGP newsletters and press releases tell a different story.

Our Facebook and AMAGP are together more than 57 000 members and continually growing, but this isn't enough. However, this continued growth confirms the ever increasing concern pension fund members and pensioners have about the future of their pensions.

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 "re" and "Files". You can get further information on our website – there is no reason to be in the dark regarding our/your Pension Fund, and what you must do as a member.

This page will only have any value for you if you join the AMAGP. Note there are no membership fees. You don't have to do any work for the AMAGP if you do not wish to do so – BUT your membership will add one more voice to AMAGP convince the government our pensions remain ours, not theirs to misuse. 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".

We remain in dire need of dedicated persons to share in the burden of AMAGP. People who aren't afraid to work for the common good of members and beneficiaries of the Fund.

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 PIC, to manage and invest OUR money in a responsible and profitable way. To the advantages of members and pensioners, not looters and mismanagers!