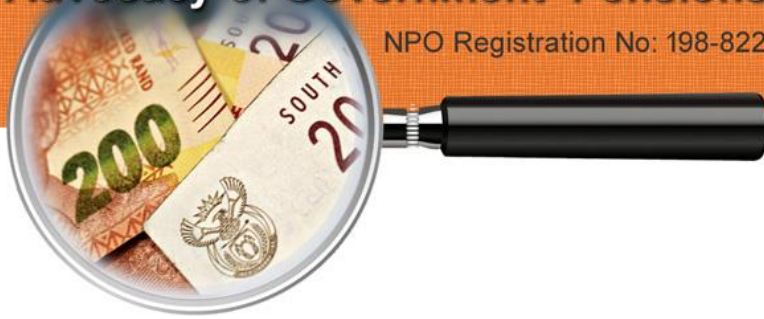


Association for Monitoring and
Advocacy of Government Pensions

(AMAGP)

NPO Registration No: 198-822



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



NEWSLETTER NO 2 of 2021

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

SCOF – Standing Committee on Finance

SCOPA - Standing Committee on Public Accounts

SOE – state owned entities

The Government Employees Pension Fund (GEPF) is Africa's largest pension fund. We have more than 1,2 million active members, in excess of 450 000 pensioners and beneficiaries, and assets worth more than R1,61 trillion. <https://www.GEPF.gov.za/>



Amagp needs
YOU!!

**The sustainability of your Pension Fund is under serious
threat!!**

WHAT MUST BE STOPPED / CORRECTED?

***Bad Mismanagement * Lack of Transparency ***

Bad Investment Decisions

Help us to protect the Pension Fund and all its assets ... now and
for the future. It is YOUR money and YOUR future !!



JOIN US NOW!!!

MORE INFORMATION AND HOW TO JOIN: WWW.AMAGP.CO.ZA AND ON FACEBOOK

The Editor's Word

You have seen quotes of letters written by pensioners to the newspapers. The feelings, emotions and views expressed by citizens in 'letters to the editor' are taken very seriously by those in high 'government' positions, as that is the 'grass roots' attitude of the people. We can do with thousands more letters every week, but we only report the few we are able to note in local and national newspapers.

Just my opinion again, when politicians are found guilty in court, they always appeal, then appeal again when the appeal doesn't succeed. It should be a standing SARS instruction that all political persons appealing be audited at least for the last 15 years, to determine their source of funding for the court cases relevant to their income tax returns.

Steinhoff shares recover. Yes, the share price is improving, up to about R 2,71 from the about R 60 where it was in 2018. The impairment is still massive. Doesn't really make up for the losses but at least we can say the share price doubled in this year! At least dividends are still being paid.

What happened to the GEPF ombudsman? The post was advertised in December 2017, requirements seemed to be retired judge, advocate of lawyer, with 10 years experience. Like this advertisement, the ombudsman promised by a Trustee also didn't realise. It isn't as if the GEPF doesn't have funds to remunerate an ombudsman, seeing the millions it overpays our multitude of asset managers.

Those of you who ask what is AMAGP doing for pensioners and members, the medial releases and letters is a visible reminder. We are all still unpaid pensioner volunteers, keeping the continuing assault on our Fund in the public eye and mind; with no war chest of billions to fight with such as those with greedy eyes have.

[Now for the news summary . . .](#)

The AMAGP has released several statements. The first is the monitoring report no 4 on the progress with the Mpati Commission's recommendations. Still unclear what the progress really means.

Then a letter to the GEPF PEO, with no answer yet. Followed by statements no 1 and 2 of this year. No 1 is about the dire straits of the Landbank, No 2 Eskom our everlasting nightmare.

The court has ordered two of the VBS 'beneficiaries' to return the money they looted, with penalties and legal costs. More to follow when other 'beneficiaries' have their opportunity in court. This is in addition to one 'beneficiary' already serving a prison sentence. The wheels of justice grind slowly but they don't stop.

We have below the South African version of a well-known movie into our SA corruption-riddled politics. Izak Smalman provides a fresh view into that murky world by using the Titanic disaster.

Another letter published in the Beeld questions the 'inflation linked' pension increases. Joe Kleinhans provides some ideas that bear thinking and, hopefully, action.

NEWSNOUSNEWS NOUSNEWSNOUS

Synopsis

AMAGP monitoring report no 4 (Nov/Dec 2020): Progress on execution of Mpati Judicial Inquiry recommendations

1. Actions by PIC

1.1 On 2 Dec the PIC made a presentation at SCOF about their implementation plan, summarised as follows:

- There are 308 recommendations categorised into sixteen themes.
- Reported that 64% have been implemented or are in the process of implementation.
- Circa 36% have not been implemented yet.
- Most actions taken to strengthen and redress governance at PIC.
- Various litigation are taking place e.g. Sekunjalo, AYO, SAHL; others shall be implemented soon, e.g. Steinhoff and VBS.
- PIC will report quarterly progress to the Treasury.

- Retired judge Ivonne Mokgoro shall lead an advisory panel, who shall validate progress to the public.
- The Hawks and NPA are available to facilitate further investigations and to administer prosecution.

1.2 Unsurprisingly, the PIC is not taking AMAGP seriously about the need to deliver further evidence regarding Harith and PAIDF1, seemingly with a desire to protect their former friends, now multi-billionaires, nurtured from abused GEPF and private funds - Mr Tshepo Mahloele and Mr Moleketi. Serious clarifications have gone astray iro the disappearance of R8bn+ GEPF funds with a "soft landing" in Mauritius, with Lebashe as its sole custodian and owner, including interests on a US\$ account.

1.3 By the grace of God, the NPA has demonstrated their interest in the report findings and recommendations of the Mpati Judicial Commission of Inquiry. It is envisaged that AMAGP's goal to deliver further evidence may be accommodated bmo NPA.

2. Actions by GEPF

2.1 GEPF – PEO has responded to Mr Christo van Dyk's letters, with regard to SAA (Asset Allocations) revisions as part of "Investment Policy statement" (IPS). Sadly, revisions are making such a small difference that the effect thereof is not even worth the paper upon which it had been scribbled. The reason for this statement firstly is that an excellent opportunity had been lost for significantly having increased equity in first world overseas markets; secondly where some loss-making investments eg. empowerment projects and Isibaya schemes even marginally increased. So has the GEPF BOT once more demonstrated a complete lack of understanding about whom they are working for; that their "fiduciary care" for members and pensioners should have been first and foremost. There are many SOE and FDA whose developmental roles are inter alia to do upliftment of communities (eg NDF and IDC), and to provide such funding (eg DBSA and IDC). The aforementioned and some govt Dept are neglecting their constitutional roles, expecting GEPF to pick up the tab and suffer huge losses to the detriment of almost 2 million members, pensioners and

beneficiaries, and generations of future pensioners!

2.2 AMAGP's "Letter of Concern" to GEPF, for info to PIC, has been acknowledged, but not responded to as yet. The above letter on 10/11 Dec occurred at the same time as a letter from Solidarity to GEPF and the PIC, including threats to litigate against any misappropriation of GEPF funds to SOE, e.g. Eskom and a new SAA. Solidarity also extended a serious caution to NEDLAC, for irresponsibly having supported irrational proposals iro loss-making and imprudent "investments" (Beeld 14 Dec 2020 by Elvira Wood). Kindly see par 4 infra at "Conclusion" iro remarks about role of GEPT BOT.

2.3 The GEPF PEO has advised that the "get to know" meeting with AMAGP management has been postponed to 22 Jan 2021.

3. Actions by AMAGP

3.1 Certainly the most important action by AMAGP was the "Letter of concerns" dd 10/11 Dec 2020 to GEPF with PIC for information, which can be found on G/docs Drive under Mpati Report (F and R). This letter incidentally coincided with Solidarity's letters to both GEPF and PIC, as well as various press releases.

3.2 AMAGP media spokesperson also issued various statements during Nov/Dec 2020.

3.3 Our audit-collaborator, Christo; communicated with Mr Mabesa iro the GEPF revised Strategic Asset Allocations (SAA), as part of a new "Investment Policy Statement" (IPS). See par 2.1 supra for a better understanding.

3.4 Planning for First Quarter 2021

- Support to Solidarity iro envisaged litigation.
- Building a case against the "mismanagement" at BOT.
- Propagating critical changes to the rules of the 2006 GEPF Pension Law.

4. Conclusion

4.1 The majority of Trustees represent Trade Unions, who are well-disposed towards the ANC governing administration, which indicates another sad story of "State Capture" at the GEPF.

4.2 It has become abundantly clear that an irresponsible governing administration has captured the GEPF as “PROXIES” for their evil plans.

4.3 Possibly Mr Abel Sithole could explain why they have tossed Mr Mabesa “under the bus” with trustees who are raping the very principles of “Fiduciary Care” iro GEPF Assets and LT sustainability.

4.4 The amendments for Pension Law Rules need serious attention!

AMAGP Monitoring Team
29 December 2020

SOURCES

PIC Implementation Plan
AMAGP 's “Letter of Concern”

Comment

A short feedback by AMAGP. It is of concern that the PIC implementation of recommendations is on percentages only, indicating that all the easy and quick to do received priority attention, the important ones not. This can only be confirmed if feedback is given recommendation by recommendation. Until then the achievement is vague to say the least.

Synopsis

The Principal Executive Officer
Government Employees Pension Fund
Pretoria
Dear Mr. Mabesa

AMAGP CONCERN WITH THE GEPF

1. Introduction

- a. AMAGP wishes to place on record matters of serious concern about the management and future of GEPF funds b.m.o. this correspondence.
- b. The status quo of investments by GEPF in Government Business stands at circa 34% (vide Annual Reports.)
- c. A landmark occurrence in 2019/20 has been the Judicial Commission of Inquiry, led by former Judge Lex Mpati, including the subsequent Report (March 2020) on Findings and Recommendations, (F+R). The Inquiry was a Presidential Proclamation to

execute the Inquiry into improprieties at the PIC, GEPF's major asset manager.

2. Relationship between GEPF and Asset Manager (PIC)

- a. GEPF and its members are the owners of circa R1,8 trn assets.
- b. GEPF extended an "Investment Management Agreement" (IMA), under revision to the PIC.
- c. The Mpati F+R also implicated GEPF (kindly view an extract – Attachment 1).
- d. GEPF has a fiduciary duty of oversight at PIC to ensure IMA-compliance, prudent investments and high standards of integrity. Flagrant neglect of monitoring by the BOT inter alia resulted in the need for a Judicial Commission of Inquiry.
- e. Consequently, the Mpati F+R have EVERYTHING to do with GEPF!!

3. Actual Concerns

- a. Pension Law determines that only 5% of Pension assets be invested in the employer's business.
- b. GEPF investments in state business do actually exceed the guideline by 29%.
- c. Circa 15% is invested mainly in SOE and a small % in large cities with investment grading.
- d. The management of South African SOE with developmental roles or the mismanagement thereof, have resulted inter alia in the downgrading of South African state business to a low level junk status, and the shedding of its reputation as a country with good investment opportunities. Kindly peruse Deputy Chief Justice Zondo's remarks on Denel, which is a carbon copy of a number of important SOE! – Attachment 2.
- e. Due to poor SOE reputations, the government shied away from SOE development roles and has now collectively created an "Infrastructure Fund". Against above mentioned background, the creation of another massive fund for infrastructure may be prone for mismanagement repetitions. Should such programmes

- and projects not be professionally managed b.m.o clear and unambiguous project and business plans, then there would be no milestones to be assessed with "Key Performance Indicators".
- f. Both Ministers Mboweni and Gordhan have recently made public statements that the GEPF has agreed to respectively support Infrastructure developments, and the rebuilding of a New SAA. On the latter potential investment, AMAGP has already made its standpoint clear. With the assessment of all intents and purposes, it is clear that New SAA will be nothing but a "vanity" project, merely to benefit retired and current politicians by receiving (gratis and free) passage for self and family on board of a New National Carrier. Relating to infrastructure funding, it is a disgrace and audacity to expect GEPF members and pensioners to accept the exploitation of our Fund, whilst Eskom and others are close to the point of defaulting. Government and related agencies show little respect for JSE bond mechanisms, attempting to manipulate registered bonds into so-called equity, resulting in loss of interest (dividends), and accumulation of liabilities for GEPF, the latter with an already depleted Long Term (LT) contingency reserve capability (kindly see the attached histogram – Attachment 3).
 - g. The dismal performance of the BOT since 2014 to demonstrate the execution of fiduciary responsibilities to have not served the "best interests" of GEPF members, pensioners and beneficiaries; in so doing not having been answerable for severe lack of care!
 - h. An article in Business Report (6 Dec by Sipehelele Dlodla) reported on a press statement by Deputy Finance Minister David Masondo relating to intended changes to Reg. 28. A new trick in the book of appeasement explains that it would make it easier for pension funds to invest into the new "Infrastructure Fund"! Please view paragraphs 2.c. and 2.e. and 3 b to e. supra, to understand that pensioners are aware of alternative methods to try and extract "blood money" from our pension savings.
 - i. It would appear as if some decision-makers do have preposterously poor habits of "rubbing salt into sensitive wounds". By way of illustration, the Mpati F+R have identified empowerment projects (BBBEE) as conduits for corruption and wrongdoings, with the launching thereof. On the back of aforementioned factor, empowerment projects have a sorry history of failed broad-based socio economic upliftment.
4. **Positive Trends at GEPF and PIC**
 - a. The Mpati Judicial COI and its Findings and Recommendations (F+R).
 - b. Presentation to parliament (SCOF) on 2 Dec by PIC i.r.o Mpati COI, reported circa 63% F+R already in process of implementation or done.
 - c. New Board of Directors at PIC, with a non-political chairperson.
 - d. The new CEO at PIC (Mr. Abel Sithole), with clear knowledge and understanding of the history of abuse of GEPF mandate to PIC, as Asset Manager.
 - e. New "blood at the GEPF" with appointment of Mr. Musa Mabesa as Principal Executive Officer.
 - f. The involvement of the Hawks and NPA with the implementation of the Judicial COI (Judge Lex Mpati), F+R.
 - g. A successful High Court appeal by the PSA against the exclusion of personnel interest groups when considering resolutions at the GEPF Bargaining Council.
 5. **Conclusion**
 - a. Reading through this document up to paragraph three, one could imagine a script for yet another Judicial Commission of Inquiry.
 - b. Some major elements which were contained in the Mpati F+R stubbornly seem to re-appear.
 - c. The cautionary wisdom and advice emanating from the "Mpati COI Report" relentlessly pop-up in the heat of a rehabilitation programmer, viz:

- i. Political interference to loot a "once highly rated" Government Employees Pension Fund.
- ii. A lack of regard for the future long term health of the Fund.
- iii. An inclination to continue and multiply loss-making projects e.g. Isibaya and BBB-EE!
- iv. Hardly any regard for the service benefits (Pension) of almost two million government officials (workers), pensioners and beneficiaries.
- v. Continuation of imprudent investments e.g. "Infrastructure Fund", without "Consequence Management" i.r.o former looters and dishonest officials at egregious SOE.
- vi. The GEPF BOT continues to neglect their "Fiduciary Duties" relating to prudent investments of GEPF funds in support of the "Best Interests" of members, pensioners and beneficiaries.
- vii. Covert political agendas.
- d. The eternal optimist amongst AMAGP has identified "Potential Positive Trends" in the GEPF environment!

6. For your attention please.

7. Kindly acknowledge receipt of this document.

Yours sincerely
 E.I.B. Massey-Hicks
 AMAGP Admin
 pp AMAGP National Executive

Attachments

- 1. Extract from Mpati P+R: TOR w.r.t GEPF 1.3 Harith.
- 2. Extract from AMAGP Newsletter showing Mr Zondo's remarks re SOE.
- 3. GEPF funding levels.

Comment

Another indication of the seriousness that AMAGP takes its responsibilities. No doubt the GEPF PEO will respond in due course, but don't be disappointed if it is non-committal and vague. Or not at all.

Synopsis

PIC-deployed VBS looters must pay back R23,4mn, court orders

Business Maverick
 By Pauli Van Wyk
 19 January 2021



VBS Mutual Bank looting suspects. (Photos: Gallo Images / OJ Koloti)

Former PIC officials and VBS looters Ernest Nesane and Paul Magula must pay back R11,2-million and R12,2-million, respectively, in cash and penalties owed to their former blesser, Vele Investments, the High Court in Pretoria ordered on Monday.

Ernest Nesane and Paul Magula were key PIC officials appointed to guard their employer's R530mn stake in VBS Mutual Bank. Instead, they enabled the bank's managers, as well as businessmen and politicians, to loot the bank into insolvency.

For being good team players for the looters, they were themselves handsomely rewarded: Between November 2015 and March 2018 Nesane pocketed R16,64-million and Magula R12,89-million in illegal cash, loans and benefits.

Both confessed to having received some R7mn in VBS loot when questioned by advocate Terry Motau and law firm Werksmans during the 2018 investigation into the bank's woes. Nesane and Magula attempted to pull a blanket of credibility over the rest of their loot.

The wheels of justice turn slowly, however, and for Nesane and Magula they grind exceedingly fine.

The High Court in Pretoria on Monday ordered Nesane to pay back R5,6-million to Vele Investments – money he gratuitously received from the VBS-affiliated company, which is now in liquidation. As a part of these liquidation proceedings, five liquidators and the company initiated civil proceedings

against Nesane to pay back the stolen money. In terms of schedule 31(2) of the Insolvency Act. Because his dealings were collusive and fraudulent, the court awarded the maximum penalty of an additional R5,6-million against Nesane.

In the same way, Magula was ordered to pay back R6,1-million in money received, and an equal amount in penalties because of his collusive and fraudulent dealings.

Interest on the full amount at a rate of 7% per annum is payable, calculated from the date of the judgment to the date of final payment.

The court further ordered Nesane and Magula to pay the costs of the court application, including costs of senior and junior counsel, on an attorney and own client scale.

The scandalous conduct of Nesane and Magula included the use of three “front men” through which their millions in VBS loot were channelled. These are businessmen Rudzani Ndwammbi, Lufuno Mudau and Lot Magosha.

Magula spent his R12,89-million in bribe money on cars, a property, and a home renovation, this Scorpio investigation found.

Nesane spent his R16,64-million on three properties, a car and a home renovation.

The two men left the PIC in April and July 2018, respectively.

The background to the looting of VBS Mutual Bank: What happened again?

The SA Reserve Bank (SARB) instructed advocate Terry Motau and law firm Werksmans to conduct a forensic investigation after VBS Mutual Bank recorded a “liquidity issue” in early 2018. Acrimonious relationships between the SARB and VBS managers, especially its chair, Tshifhiwa Matodzi, didn’t help. What the investigators, and later the curator of VBS, found rocked the financial sector: R2,7bn was stolen by about 53 people. The bank was looted into insolvency over a period of about five years, the investigation found.

In their report, *The Great Bank Heist*, Motau and Werksmans said VBS managers,

auditors, politicians and the politically connected ran off with the lion’s share of stolen VBS loot. The clients of the bank included stokvels, burial societies, funds looking after dead mineworkers’ children and widows, and several municipalities. Nesane and Magula helped to conceal and keep the secret.

Nine people have been arrested so far, with additional arrests expected soon. A racketeering certificate was issued under which Nesane and Magula and the bank managers and auditors are to be prosecuted. The former CFO Philip Truter pleaded guilty and was sentenced to seven years behind bars. He received R5mn in stolen loot. **DM**

Comment

Am I being too critical of the PIC if I speculate on the due diligence conducted when the PIC representatives were appointed to VBS? And on the due diligence conducted when they were initially appointed at the PIC?

I trust SARS will investigate their income tax for the past 15 years in detail.

Interesting there hasn’t been news about them appealing.

Samevatting

Beeld

14 Januarie 2021

Titanic en korrupsie

My Kersete was skaars verby toe nooi die kleinkinders my om saam met hulle die fliiek Titanic op TV te kyk terwyl die ouers rustig slaap. Ek bly maar stil dat ek die fliiek reeds hoeveel kere gesien het, nog voor hulle geboorte. Ek begin sommer wegdommel en verbeel my die Titanic is die regering.

In die eerste klas reis die ministers, regeringsamptenare, tenderpreneurs, die Guptas, en ander ANC kamerade en meelopers. Die passasiers in die derde klas is gelukkig om 'n plekkie op die luukse skip te kry en onder in die enjinruim swoeg die arbeiders en tegnici om die skip op volle vaart op koers te hou. Elke aand hou die elite reisigers partytjie by tafels met kaviaar en liters Jack Daniel en ander eksotiese drank. Die regering se werk moet egter voortgaan en by sommige tafels word bruin koeverte met goedgekeurde tenders aan begunstigdes

oorhandig. In ruil daarvoor word sakke met note onder die tafels by regeringsamptenare se voete neergesit.

Daar kom 'n boodskap van die enjinkamer af dat die steenkool besig is om min te raak. Eskom? Twee van die stuurmanne, Pravin en Tito, gaan na die onderste dek en praat met die stoker wat sy kommer uitspreek oor die kole wat min raak. Op 'n vraag van Pravin wat na 'n verseëelde vraghouer eenkant in die ruim wys, antwoord die stoker dat die houer vol steenkool is wat die eiendom van die pensioenfonds (GEPF) is en wat oor jare deur staatsamptenare onder moeilike omstandighede bymekaar gemaak is. Tito beveel die stoker egter om die seël te breek en die pensioenarisse se steenkool te gebruik om die skip te laat voort vaar. Die skip vaar voort met nuwe krag.

Een nag waarsku 'n matroos dat die skip op 'n ysberg afpeil. Tito en Pravin probeer vergeefs om die skip om die ysberg te stuur. Die kaptein, Cyril, gryp in, vat die stuur en probeer die skip in trurat gooi. Tevergeefs, jare se korrupsie het die trurat buite werking gestel. Die skip tref die ysberg en begin sink. In die chaos wat volg, haas Ace en Jacob hulle eers na die brandkluis en stop hulle sakke vol note. Jacob se lyfwag, ene Carl, geklee in Umkonto se kamoefleeruniform, annekseer dadelik 'n reddingsboot en vertel die verdwaasde matroos dat die reddingsboot vir sy president, die einste Jacob, gereserveer is. So word Jacob en Ace saam met die lojale Carl te water gelaat in 'n poging om van die gereg te ontsnap.

Die Guptas koop daar en dan hulle eie reddingsboot waarmee hulle dae later uiteindelik op die kus van die Arabiese See uitspoel. Terwyl die Titanic sink en die orkes 'n waterdood tegemoet gaan, speel hulle vir oulaas die immer gewilde liedjie "Ek sal kan doen met 'n miljoen". Dit is reeds die laaste 20 jaar die nommer een liedjie op die ANC se treffersparade.

Ek skrik wakker toe Rose, die hoofkarakter, die verhaal van die Titanic vir haar kleinkinders afsluit. Ek maak of ek nie hoor hoe die kleintjies lag omdat ek deur die fliëk geslaap het nie. Ek hoop maar dat my kleindogter oor 60 jaar vir haar kleinkinders kan vertel hoe ons land en die ekonomie soos

die Titanic gesink het maar jare daarna weer kop bo water gekry het. Ek mag mos droom?

Opgestel deur pensioenaris Izak Smalman en in die Beeld gepubliseer.

Kommentaar

'n Ligte blik op 'n baie ernstige saak. En dat dit deur die Beeld gepubliseer is! Voorwaar die moeite werd om jou beswaardheid per brief aan die pers oor te dra.

Synopsis

STATEMENT No. 1/2021

Issued on behalf of the Association for the Monitoring and Advocacy of Government Pensions (AMAGP)

CAPE TOWN

20 January 2021

Another state owned enterprise (Landbank) finds itself in dire straits

The going down of state-owned enterprises (SOE) over the last decade is nothing new anymore. We all have become accustomed to the total lack of responsibility, ethics, professional management, governance, incompetence, lack of control and of the serious lack of consequence management. It is shocking that even our country's respected Auditor General seems to be ignored by some.

Corruption remains in the order of the day.

Preferential cadre deployment and preferential procurement practices to the benefit of the inner circles are all still a daily practice.

What is even more shocking, however, is that the GEPF is allowing its investment agent, the PIC to persistently and unashamedly, and with reckless disregard of the consequences of its actions, still gamble with the assets and hard earned contributions of the public service employees to the Fund.

There can be no doubt that to allow the PIC to invest in SOE amounts to nothing else than outright gambling.

It has been proven time and time again that to "invest" in SOE enterprises is indeed very

risky, if not downright reckless. In this regard we have never heard of any losses being recovered or the responsible people being held personally accountable. Consequence management is seriously lacking.

Over the past few years one after the other SOE collapsed mainly due to corruption, cadre deployment and mismanagement. Some of the examples include Eskom, Denel, SAA, etc. Others like the Post Bank and the SABC are following as if a competition is being held. If one just listens to the evidence before the Zondo Commission about the grand scale of corruption taking place at some of these SOE, nobody in his right mind should invest in any of these institutions.

It, therefore, came as no surprise when the Landbank followed the others. This bank operated quite well for more than 100 years. Since about 2016 it became abundantly clear that it was totally irresponsible to invest in any government controlled business enterprise. The GEPF through its agent the PIC, however, at that stage kept its investments in the Landbank at between R9,47bn and R9,85bn. Why this huge investment in one entity and against what security?

Business Day reported on 9 July 2020 as follows: "The PIC investment, which comprises the purchase of short-term money market instruments such as promissory notes and bonds that are repayable within a year, may now be written off by as much as 70% implying the PIC could incur losses of nearly R6,8bn.... "

It is well known that the PIC is still struggling to comply with the findings and recommendations of the Mpati Commission to try to recover billions lost from dubious investments. The question to be asked now is whether steps will also be taken to recover losses from those responsible for the reckless investments in the Landbank.

With the government hovering on the brink of bankruptcy, the temptation to use the so-called pool of retirement savings in the GEPF as an easy way out of ANY of its woes is ever present.

The attempts to illegally use (loot) the GEPF's money in any form or kind for the above-mentioned purposes should be resisted tooth

and nail by the Board of Trustees, as well as every member of the GEPF. It is illegal and any such action will totally bankrupt the GEPF.

AMAGP has on many occasions in the past warned the government and other institutions against trying to loot the Pension Fund. Yet there are still people within government and elsewhere that continuously try to suggest the looting of the Fund. This is illegal and downright wrong! Finish and klaar!

Adamus P Stemmet
Spokesman Amagp

Comment/aar

I believe the letter by one of our stalwarts below, provides more than enough food for thought. It starts with: "Gaan die GEPF die Landbank ook moet red?"

Deur Theo Stehle, Knysna 21 Januarie 2021

Die finansiële ineenstorting van die Landbank, 'n staatsbeheerde instelling wat 108 jaar 'n steunpilaar vir die landbou was, is nie net 'n groot skok vir boere nie, maar ook vir die krediteure. Een daarvan is die Staatsdienspensioenfonds (GEPF), wat sowat R10 miljard in staatseffekte by die bank belê het. Hierdie belegging sal waarskynlik afgeskryf moet word, want die regering het nie geld nie en waarborge is dus nutteloos.

Nogtans wend die vakbonde en regering voortdurend pogings aan om die GEPF te plunder, net soos die staatsbeheerde ondernemings (SBO) wat gestroop is deur korrupsie en diefstal.

Dink hier byvoorbeeld aan die voorgestelde ruiling van byna R100 miljard in staatseffekte wat die Openbare Beleggingskorporasie (OBK) namens die GEPF in Eskom hou vir aandele in die steierende kolos. Die aandele sal heeltemal waardeloos wees.

Teen alle gesonde finansiële beginsels in moet die SAL in die lug gehou word, met waarskynlik ook die GEPF as spaarvarkie in gedagte. En so is daar ook ander wankelende SBO wat bankrotskap in die gesig staar.

Nou is die Landbank ook bankrot en waarheen sal die regering hom in sy verknorsing wend? Die GEPF, natuurlik, want

dit is 'n onuitputlike bron van geld, waarvan daar seker maar hier en daar nog ietsie afgeknyp sal kan word, nie waar nie?"

Samevatting

PNSIOENTREKKERS SE INFLASIE VERSKIL

Die GEPF waarborg jaarliks 'n pensioenverhoging aan afgetrede staatsamptenare van 75% van die inflasiekoers. Die vraag is of dit steeds die korrekte koers en barometer is vir die bepaling van sodanige verhogings?

Die jongste bevindings van die Pietermaritzburg Economic Justice & Dignity Group toon dat die pryse van 43 basiese kositems die afgelope jaar met 15,3% teenoor 'n inflasiekoers van 3,4% gestyg het. Die studie is in Pietermaritzburg, Johannesburg, Durban, Kaapstad en Springbok gedoen. Nog 'n basiese uitgawe van pensioentrekkers, naamlik munisipale rekeninge, is minstens dubbeld so hoog as die jaarlikse inflasiekoers.

Dit onderstreep die feit dat 'n inflasiemandjie vir pensioentrekkers ontwikkel en gebruik behoort te word. Pensioenbetalings moet met die volle, aldus berekende inflasiekoers, aangepas word.

Voorgenoemde moet geskied voor die GEPF via sy beleggingsarm, die OBK, meer staatsdienspensioenfondse in staatsbeheerde ondernemings soos SAL en Eskom vermors. Die GEPF moet immers sorgdra dat opgeboude fondse tot voordeel van afgetrede staatsdiensamptenare aangewend word.

Joe Kleinhans

Kommentaar

Nog 'n brief in die Beeld, van 4 Februarie 2021. Die inflasiekoers vir pensioenarisse is beskikbaar by StatsSA. Die inflasiekoers vir pensioenarisse was maar 3,2% in Desember 2020. Laat mens wonder waarop die GEPF die jaarlikse aanpassings baser.

Samevatting

VERKLARING No 2/21

Uitgereik namens die Vereniging vir die
Monitering en Bevordering van
Staatsdienspensioene (AMAGP)
Kaapstad
7 Februarie 2021

Eskom se finansiële wanbestuur maak dit nie 'n aanneemlike belegging vir pensionarisse se geld nie

Onlangse skokkende onthullings oor die wanbestuur van Eskom se finansies het weereens die boodskap tuis gebring dat, indien die energievoerskaffer nie sy huis in orde kry nie, hy nie kan verwag dat belastingbetalers borg moet staan of om beleggings te lok om hom uit die gat te trek wat hy vir homself gegrawe het nie. Veral nie deur pensionarisse se spaargeld, primêr die Pensioenfonds vir Staatsamptenare (GEPF), te tap nie, soos dikwels voorgestel en gesuggereer deur die driedelige ANC-alliansie, ondersteun deur die besigheidsektor.

Wat begin het as 'n begroting van R160 miljoen vir 'n residensiële ontwikkeling vir konstruksiewerke by die Kusile-kragstasie nege jaar gelede, het toegeneem tot R840 miljoen in 2020 sonder dat die projek selfs voltooi is en die akkommodasie bewoonbaar is.

Die mees onlangse voorbeeld van die ampsmisdrywe wat die kragopwekker uitgehol het, dien om die lig te laat val op die vrugtelose en verkwistende spandring by Eskom, wat toegeneem het vanaf R8m in 2018, tot R538m in 2019, tot 'n astronomiese R2,9bn in 2020.

Dit is irriterend dat kort-kort geen melding ooit gemaak word van die herwinning van die groot verlies van die mense wat vir die spandring of ontvangs van die geld verantwoordelik is nie. Dit blyk makliker te wees om terug te kom na die belastingbetaler en pensioenfonds om vir meer te vra. Dit het te maklik geword om te sê dat die geld nie opgevolg kan word nie. Nonsens!

Die GEPF het reeds byna R100bn in obligasies by ESKOM belê, waarvan slegs sowat R67bn gewaarborg is deur 'n regering wat tans nie in staat is om sy verpligting na te

kom nie. Hy was onder druk van die driedelige alliansie om in hierdie algeheel onlewensvatbare onderneming te "belê" deur die obligasies vir aandele te verruil en verantwoordelikheid te neem vir R250bn van Eskom se skuld. Dit sou daarop neerkom dat pensionarisse se geld Eskom se finansiële mislukkings subsidieer, wat teweeggebring is deur 'n netwerk wat deur korrupte kaders bedryf word.

Om hierdie rede en omrede die GEP Wet en reëls duidelik stipuleer dat die Fonds tot die voordeel van sy lede bestuur moet word, doen die Vereniging vir Monitering en Bevordering van Staatsdienspensioene (AMAGP) 'n beroep op die GEPF se Raad van Trusteas om onder geen omstandighede enige voorstelle om in hierdie en enige ander staatsbeheerde ondernemings te belê, gunstig te oorweeg nie.

Die Ouditeur-generaal (OG) lewer jaarliks verslag oor die swak bestuur by ESKOM en ander staatsbeheerde ondernemings, asook die afwesigheid van gevolge vir diegene verantwoordelik vir die ampsmisdryf. Tot tyd en wyl die OG 'n skoon verslag kan voorsien, kan en behoort beleggings ingevolge die GEPF se eie verantwoordelike beleggingsbeleid in elk geval nie ernstig oorweeg te word nie

Adamus P. Stemmet
Segsman AMAGP

Kommentaar

Die vrugtelose uitgawes en spandering het van R 8 miljoen in 2018 na R 2,9 biljoen in 2020 vergroot. Is dit vergesog om te wonder hoe deeglik die beplanning moes gewees het om die biljoene rande in so 'n kort tydjie te verkwis? Ek reken dit onwaarskynlik dat sodanige groot bedrae sommer terloops verkwis is, daar moes 'n groot stormloop gewees het.

Die terugvorder van die verkwisting is onder verdenking.

**IMPORTANT NOTICE. PLEASE READ
OR READ AGAIN IF YOU HAVE
ALREADY**

Please take a while again to really consider what the all-volunteer AMAGP is all about and is actually and continuously achieving. We need you to inform and motivate all the Fund members you know to join the AMAGP, to strengthen our voice when promoting the sustainability of your pension. We need many many more AMAGP members, not just on the Fb page. Keep in mind the Fund has just less than 2mn members, of which about 460 000 are pensioners and the other about 1 380 000 are still working and contributing members.

THE GEPF WATCHDOG/WAGHOND FACEBOOK PAGE

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 superb condition. There is, however, another side to the coin! The AMAGP newsletters tell a different story.

Our Facebook page has more than 48 500 members and continually growing, but not enough. This 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 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/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”. 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 PIC, to manage and invest OUR money in a responsible and profitable way. To the advantages of members and pensioners, not looters and mismanagers!

VRYWARING

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