

Association for Monitoring and  
Advocacy of Government Pensions

(AMAGP)

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*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.*

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f GEPF Watchdog - Waghond

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## SPECIAL NEWSLETTER of 2023

*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. 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 1 August 2023.*

***WE ARE THE OWNERS OF THE GEPF*** and we have the right to expect the GEPF BOT and the PIC to manage and invest OUR money in a responsible and profitable way, to the advantages of members and pensioners. Note the misbalance: the single pensioner on the BOT representing all 450 000 pensioners and the 15 representatives from the multitude of trade unions and government departments representing the 1,2 million contributing members.

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.

## The Editor's Word

"The nine most terrifying words in the English language are: We are from the government and we are here to help." Ronald Reagan.

*Dear reader, you will have noted that the newsletter restricts itself to only those aspects directly influencing our Fund. However, the articles in this special newsletter contain information crucial to understanding the ongoing threat against our Fund: the huge fund for misuse irrespective of who the funds really belongs to. The threat is called the National Democratic Revolution.*

### Note

*The NDR has been integral ANC policy for more than forty years, as confirmed by Jeffreys in her book.*

Dear reader, the articles below cover the same topic from different angles, I trust it provides a background to why we must remain ever vigilant about the threat to our Fund.

Nicholas Woode-Smith provides an overview while an extract from Anthea Jeffrey's book provides for compelling thought. Fanie Conje in Maroelamedia then discusses cadre deployment, which links seamlessly to the previous articles. Lastly, Magnus Heystek overviews its influence on the markets.

For those who think this scare mongering, satisfy your concerns by doing your own research.

## SPEZIALE NUUS SPECIAL NEWS

### Synopsis

## Nicholas Woode-Smith: The ANC's deliberate failures – South Africa's path to collapse

Biznews

18 July 2023

by Nicholas Woode-Smith\*

South Africa is a failing country. This is inarguable. Rolling blackouts, continually rising unemployment, inflation, violent crime, and endemic social unrest are just a few symptoms of the inherent rot in this country. And at the helm of South Africa's collapse is the ANC and its tripartite alliance of the SACP and Cosatu.

It is well acknowledged that the ANC is not doing a good job. Even ANC supporters admit that the ANC is bad at governance. A survey of ANC supporters from Soweto, conducted by the Social Research Foundation, broadly found that ANC voters distrusted the ANC and considered it largely inept.

Why ANC supporters who condemn their own party continue to vote for it could fill another article. The question for this article is: why is the ANC failing, again and again, to govern properly?

Is it simply incompetent? Ignorant of what the country needs and how to achieve good results? This is hard to truly believe. There exists dozens of incredibly competent and skilled think-tanks and organisations that have repeatedly told the ANC exactly what it needs to do to get the country on track. In the 1990s, under GEAR, the ANC (mostly) did what it needed to do. Incompetence is not a valid excuse. The ANC has demonstrated in the past that it knows the pragmatic and right way to do things.

So, is the ANC malicious? I think this is far more likely. Look at the primary policies of the ANC. BEE is a race-based quota system reminiscent of the racial quotas of Apartheid. EWC aims at stripping particular demographics of their property. And despite economic theory and the evidence of reality, the ANC continues to embrace policies that exacerbate unemployment, poverty, and crime.

The fundamental answer to why the ANC seems so incompetent is its ideology. And that can be found in a publicly accessible campaign, which is unfortunately not so widely understood or known by South Africans.

### The National Democratic Revolution (NDR)

The NDR is a set of policies and goals by the ANC and its communist allies in the SACP and Cosatu. Its goal is, simply, to change South Africa from a predominantly capitalist, free

market economy to a socialist, and then full-blown communist society in the Soviet model. This is to be achieved over a period of at least 40 years (putting us over halfway through the process).

The NDR is acknowledged publicly throughout ANC and SACP policy documents. It isn't a secret. Yet, the lunacy of adopting policies that have repeatedly failed throughout the world has caused many people to deny that the ANC could be so insane. But one must only read their policies, their speeches, and their minutes to see how obsessed the ANC really is with Marxist theory and ideology.

Andre de Ruyter, ex-CEO of Eskom, was astounded to find how top-level officials at the ANC were still obsessed with "outdated communist ideologies".

Many in the business world are wilfully ignorant of the ANC's penchant for left-wing radicalism. An unforgivable wilful ignorance, considering the ANC's history and track record.

It is clear that the ANC is communist, with only ethnic nationalism and an un-ideological love of looting present to provide some variety.

But transitioning South Africa to socialism would be hard if things were doing well. So, the ANC requires the country to be poor, collapsing, and destitute so they can usher in a revolution. Well-off, content people don't want socialism. Only the desperate and hungry can be tricked into embracing it.

So, the ANC has embraced policies that usher in rising unemployment (terrible labour policies), which further increases reliance on the state as the unemployed must go on welfare. While doing all this, they can blame capitalism and colonialism.

While destroying the country to make people pliable to socialism, the NDR also calls for increasing state control over society and the economy. National Health Insurance (NHI) is a blatant attempt to nationalise healthcare, private schools are constantly under attack, and governance boards are constantly being infiltrated by ANC officials. Expropriation Without Compensation (EWC) allows the state to seize private property, further eroding the very foundations of a free market economy.

BEE further gives the ANC the ability to coerce businesses into giving control of their business to state officials, while also ensuring that the business itself is sabotaged from within.

## **Intentional Failure**

The ANC's incompetence is intentional. The further South Africa falls, the more drastic measures the ANC can take to push it towards its goal of complete state control of the economy and society.

Every step the ANC took towards pragmatism under Mandela and Mbeki was sacrificed by the left-wing radicals of the ANC when Zuma was put in charge. Under his looting and morally bankrupt policies, the progress made under GEAR was overturned. Reliable growth turned into constant decline.

It is foolish to look for solutions from the ANC, because they are getting exactly what they want. They want the country to collapse. They want institutions to buckle and fall. They want infrastructure to degrade.

The poorer this country gets, the easier it becomes to control. The NDR comes closer and closer to fruition with every passing step. Until there is nothing left to do but declare South Africa a full-blown communist state.

### *Comment*

## **Anthea Jeffrey: Countdown to Socialism in South Africa – unveiling the ANC's soviet-inspired agenda**

Biznews  
25 July 2023  
by Editor BizNews

*In Countdown to Socialism: The National Democratic Revolution in South Africa since 1994, Anthea Jeffrey reveals the ANC's hidden agenda to gradually shift the country from capitalism to socialism. By implementing a Moscow-inspired 'national democratic revolution' (NDR), the ruling party aims to take incremental steps towards its revolutionary goals. This extract from Jeffrey's latest book examines the initial phases of the NDR following the transition to democracy in 1994, shedding light on the ANC's long-term strategy*

and the challenges it faces in its quest for radical economic transformation.

## An incremental revolution

By Anthea Jeffrey

*With growth stalling, unemployment at crisis levels, and governance unravelling, most South Africans cannot fathom why the ANC does not embark on meaningful reform. The answer lies in what is seldom raised: the ruling party's unwavering determination to take the country by incremental steps from capitalism to socialism.*

*As I explain in my new book, **COUNTDOWN TO SOCIALISM The National Democratic Revolution in South Africa since 1994**, this transformation is being implemented via a Moscow-inspired 'national democratic revolution' (NDR) dating back many decades. Despite the Soviet Union's collapse in 1991, the ANC/SACP alliance still sees the NDR as offering the 'most direct route' to socialism in South Africa – and hence as its bedrock strategy.*

*In the following extract I examine the initial phases of the NDR, following the transition to democracy in 1994.*

### NDR PHASES

#### An initial 'political' phase

As many of the *Strategy and Tactics* documents reiterate, 'April 1994 was a historic breakthrough' because it ushered in a new constitution and a new government in which the ANC held a 63% majority. This meant that 'a qualitative element of the NDR had been accomplished', as the Mahikeng document notes.

However, the ANC's hold on power was still tenuous in many ways: 'Because it had not won an outright victory on the battlefield, it had to accept compromises in the negotiations.' In particular, it was obliged to accept a limited form of power-sharing, as reflected in the initial government of national unity. It also had to agree that public servants would remain in place for a period, as would the judiciary. In the words of the Mahikeng *Strategy and Tactics* document: 'The ANC inherited an

apartheid state machinery that was intact, orderly within its own rules, and with the majority resolved to continue in their positions.' This meant that 'transformation would be a long drawn-out process which would meet resistance from within'.

The prevailing climate of opinion was also hostile to the NDR in 1994. Organised business and most media commentators had celebrated the ending of apartheid and welcomed the advent of non-racial democracy. However, they were likely to oppose the statist interventions needed to advance the NDR, especially in the light of the recent collapse of the Soviet Union. The Mahikeng document summed up the situation, saying: 'In brief, the democratic movement has achieved only elements of power. These give it immense possibilities to use the new situation as a beachhead to transform society. However, the constraints also have a direct bearing on the pace of transformation as well as on the ... the danger of this process being derailed.'

As the SACP had urged back in 1962, in *The Road to South African Freedom*, the ANC's first task was to focus on 'the transformation of the old machinery' of the state as crucial to the success of the NDR. This would put 'the motive forces of the revolution at the helm of the state' and ensure that it was 'these classes and strata which wielded real power'.

The ANC would also need to take control of all important 'levers of power', the Mahikeng document continued. These levers extended far beyond the civil service and the security forces to include 'the judiciary, the public broadcaster, the media, the private sector, the universities and all other centres capable of influencing the battle of ideas. Ensuring adequate control would require the development of a 'cadre policy' to 'ensure that the ANC played the leading role in all centres of power'. Only in this way could the organisation 'widen and deepen' its hold on power and 'ensure that the agenda in the battle of ideas was not set by counter-revolution'.

Though this first phase of the NDR had a primarily political focus, the Mahikeng conference also urged the introduction or further implementation of various socio-economic policies that would lay the foundation for more thoroughgoing transformation in due course. Towards this end, it said, the ANC

should focus on meeting social needs by expanding and 'restructuring' social grants, building more free houses for low-income households and 'intensifying' the land reform programme. It should also make primary healthcare 'the main plank' of state provision, seek to 'reduce the cost of medicines', ensure 'the redistribution of educational resources' and pursue 'the transformation of higher education'. These interventions would initially have only a limited impact in advancing the NDR. However, as the SACP was later to stress, they would underscore the vital role of the state, rather than the private sector, in meeting people's essential needs – and help pave the way for the 'decommodification' of healthcare, education, social security and other goods and services in due course.

This incremental approach to socio-economic issues was also what the global balance of forces required. The collapse of the Soviet Union in 1991 had ushered in a different global environment in which 'a simplistic and dramatic abolition of the capitalist market, with the state seizing the means of production' would have been 'a sure recipe for the defeat of the NDR'. In this changed world, the ANC could at best proceed by small steps and generally under the rubric of redress for apartheid's manifold injustices, towards its revolutionary goals.

However, by the time of the Polokwane national conference in December 2007, memories of Soviet failures had faded, while the developing global economic crisis was easily portrayed as proof of capitalism's intrinsic flaws. The ANC had also consolidated its hold on key levers of state power and successfully weakened various constitutional constraints on the NDR. In addition, President Thabo Mbeki, whom the SACP and Cosatu had increasingly condemned for the supposed 'neoliberalism' of his economic policies, had been ousted and replaced as ANC president by Jacob Zuma, who was expected (as Cosatu put it) to 'nationalise exactly what the Freedom Charter said: the mining industry, the banks, the leading monopolies'.

Against this background, the Polokwane *Strategy and Tactics* document reflected an important shift towards the second 'phase' of the NDR. This shift built on what had been said at the Stellenbosch national conference in 2002 and gained further

momentum at Mangaung in 2012 and then again at Nasrec in 2017.

## **A second and more 'radical' phase**

The ANC's gradual shift from the first to the second phase was heralded in the Stellenbosch *Preface* to the Mahikeng *Strategy and Tactics* document.

This *Preface* stated:

*A critical element of the programme for national emancipation should be the elimination of apartheid property relations. This requires: the deracialisation of ownership and control of wealth, including land and equity; affirmative action in the provision of skills and access to positions of management; ... and systematic and intelligent ways of working in partnership with private capital in a relationship ... defined by both unity and struggle, co-operative engagement and contestation on fundamental issues. It requires the elimination of the legacy of apartheid super-exploitation and inequality, and the redistribution of wealth and income to benefit society as a whole, especially the poor.*

This process would involve 'a continuing struggle' that would intensify over time, the *Preface* added. 'Because property relations are at the core of all social systems, the tensions that decisive application of this objective will generate will require dexterity in tact and firmness in principle', it said. What this meant, in simpler terms, was that the ANC would need to combine soothing but ultimately empty reassurances, aimed at allaying rather than heeding public concerns, with a strong determination to proceed with contentious NDR interventions in any event.

The Polokwane *Strategy and Tactics* document in 2007 had a similar emphasis. Having described the ANC as 'a disciplined force of the Left, organised to conduct consistent struggle'. It stressed the need 'to change colonial production relations'. It also urged 'the deracialisation of [the] ownership and control of wealth', as regards 'land, management and the professions'.

In 2012, when the ANC held its 53rd national conference at Mangaung, it emphasised the



importance of speeding up the NDR in what it now openly described as the 'second phase' of South Africa's transition.

In the words of an ANC policy document adopted earlier that year: 'The time has come to build a new national consensus for the next 50 years ... This should lay the basis for a second transition of social and economic transformation ... Our first transition was characterised by a framework and a national consensus that may have been appropriate for a political transition but has proved inadequate or even inappropriate for a second and economic transformation phase.'

In the run-up to the Nasrec conference in 2017, the ANC intensified its NDR rhetoric. In his State of the Nation Address at the opening of Parliament in February that year, President Zuma claimed that the solution to persistent problems of poverty, inequality, and unemployment lay in a new emphasis on 'radical economic transformation' (RET). This transformation required 'fundamental change' in 'the structure ... of the economy', as well as in its 'ownership, management and control', he said.

This formulation marked a subtle but important shift in NDR aims. For many years, the ANC had spoken of the need to 'deracialise' the ownership and control of the economy. This suggested to many that its aim was to transfer assets from the (private) ownership of whites into the (private) ownership of blacks. But ANC calls for RET in 2017 spoke rather of changing the ownership, control and 'structure' of the economy. Many commentators assumed that the goal was still to redistribute wealth from whites to blacks, but the wording used could equally herald a shift from private to state ownership, as the SACP had long urged.

To achieve its RET goals, Zuma went on, the ANC planned to 'utilise to the maximum the strategic levers that were available to the state'. These included 'legislation, licensing and ... procurement' rules, along with 'BEE charters' and 'more direct state involvement in mining' through a state mining company. Before long, the president also suggested that it might be necessary to resort to EWC – and that the Constitution might need to be amended to allow this.

The Nasrec *Strategy and Tactics* document adopted in December 2017 likewise stressed the need to 'move into a new phase of transition', focused on 'decisive action to effect thorough-going economic transformation'. It called for faster action to 'deepen social change', adding: 'By 2030 and moving into the 40th anniversary of 1994, all the main elements of a National Democratic Society should have been attained.'

The 2017 Nasrec document endorsed the introduction of EWC to speed up land reform (see Chapter 11) and elaborated on other goals to be achieved in the next five years. 'The central task is to change the structure of the South African economy,' it said, so altering ownership patterns would be 'a critical part of economic transformation'. A state-controlled National Health Insurance (NHI) system would be introduced, while **the state would start 'directing' the private sector to invest pension savings and other resources in ways that promoted development.** A comprehensive social security system would be introduced over the next ten years, while the South African Reserve Bank (SARB) would be nationalised and its mandate 'aligned' with the needs of the second phase.

All these interventions would be underpinned by an increased emphasis on 'social solidarity and empathy for the most vulnerable'. Since the current social system was 'founded on cut-throat competition and the dictum "everyone for himself and the devil take the hindmost"', a comprehensive 'campaign around social values would be waged across all platforms, education curricula and religious institutions'. In this way, 'social humanism' would triumph over 'crass materialism' and South Africa would help 'fashion a new global civilisation based on an abiding humanity'.

### The Need For a 'Ramaphosa' Reassurance

These ambitious NDR plans assumed continued ANC hegemony, yet public support for the ANC was slipping badly by the time of the Nasrec conference in December 2017. In the 2016 municipal election, the ruling party had lost control of three major metros: Johannesburg and Tshwane in Gauteng, along with Nelson Mandela Bay in the ANC heartland of the Eastern Cape. Public anger over widespread corruption, especially over Zuma's role in the 'capture' of the state by the Guptas,

an immigrant family from India, was palpable (see Chapter 6). For much of 2017, the SACP was thus sedulous in pushing for Zuma to be replaced as president by Cyril Ramaphosa. To help build support for Ramaphosa, the SACP and many other commentators took pains to portray him as a successful businessman with a pragmatic grasp of economic realities and a personal preference for the growth-friendly policies that most South Africans wanted the ANC to embrace.

Ramaphosa was duly elected as ANC president at Nasrec (albeit by a small margin), thereby enabling him to replace Zuma as national president. Most commentators welcomed his presidency, believing he would use it to fulfil his oft-repeated promise of a 'new dawn'. They also believed he was firmly opposed to the RET policies embraced by Zuma and his supporters and would in time, once he had strengthened his position within the ANC, move to block EWC and the other radical interventions the Nasrec national conference had embraced.

However, any such belief in Ramaphosa's moderation is misplaced. Ramaphosa is a black economic empowerment (BEE) billionaire, not a risk-taking entrepreneur. He has also long endorsed the NDR, while generally taking care to conceal this commitment. His mask slipped, however, during the constitutional talks in the mid-1990s, when he partially revealed his real thoughts about the NDR in a private conversation with IFP adviser Dr Mario Oriani-Ambrosini.

As Oriani-Ambrosini records in his memoirs, Ramaphosa said: 'The ANC [has a] 25-year strategy to deal with the whites: it will be like boiling a frog alive, which is done by raising the temperature very slowly. Being cold-blooded, the frog does not notice the slow temperature increase, but if the temperature is raised suddenly, the frog will jump out of the water.' What Ramaphosa meant, wrote Oriani-Ambrosini, was that 'the black majority would pass laws transferring wealth, land and economic power from whites to blacks slowly and incrementally, until the whites lost all they had gained in South Africa, but without taking too much from them at any given time to cause them to rebel or fight.'

At various times in 2022, Ramaphosa's mask slipped further and he was more open in his

endorsement of the NDR. At the SACP's 15th national congress in July 2022, for instance, the president praised the 'valued ... and important ... bonds' between the ANC and the Communist Party. He applauded the SACP for its role 'in advancing the fundamental transformation of the economy and society' and endorsed its efforts to 'build a powerful socialist movement of workers and the poor'. The ANC, he went on, was determined to 'defeat each and every effort to derail the NDR', which was the 'shared programme' of the ANC and the SACP and 'the reason for the existence of our alliance'. The ruling party would also continue to 'rely' on the SACP as its 'intellectual reservoir' and the source of the 'political perspectives and analyses that would help guide the ANC going forward'.

Soon afterwards, Ramaphosa told the ANC's 6th policy conference that the ruling party had gathered 'to discuss critical issues that concern the execution of the NDR'. Since 'the NDR currently faced a number of challenges and perils', the policy conference's 'central defining task ... was to lay the basis for the restoration of the ANC and the NDR'. It also needed to 'emerge with policy proposals to put the NDR back on track' in the wake of Zuma-linked corruption and pervasive state delivery failures.

The mainstream media has long assumed that there is a deep ideological rift between the Ramaphosa ('CR') faction and Zuma's RET one and that it is this that has prevented the president from pressing on with his 'new dawn' reforms. But Ramaphosa also debunked this misperception at the policy conference, where he stressed that the fissures within the ruling party are 'not divisions about policy or ideology'. On the contrary, they are driven solely 'by the competition for positions ... and the pursuit of access to public resources', he said.

Since actions speak louder than words, it is also instructive to examine the policy shifts being introduced under Ramaphosa's watch. Since becoming president in 2018, Ramaphosa has been remarkably effective, not in ushering in business-friendly reforms, but rather in implementing or advancing most of the 'RET' interventions proposed at Nasrec. The 'Ramaphosa' reassurance is thus an empty one. It is a telling, but generally unacknowledged, example of what the

Stellenbosch *Preface* recommended back in 2012: 'dexterity in tact' in alleviating concerns about the NDR, coupled with 'firmness in principle' in advancing the revolution.

Belief in Ramaphosa's capacity to introduce business-friendly reforms has withered in recent years, mainly because many commentators see him as too indecisive and conflict-averse to face down the RET faction within the ANC. That he shares the NDR ideology of the RET element and has in fact made great strides in advancing its agenda is still generally overlooked. His re-election as ANC president at Nasrec 2 in December 2022 was, therefore, hailed with considerable relief within the country and abroad. This is partly because he still seems significantly less tainted by corruption than his rivals in the ANC, but mainly because many commentators persist in portraying him as a great reformer.

### **NDR Implementation Since 1994**

Ever since it gained the 'prime prize' of 'state power' in 1994, the SACP/ANC alliance has busily been implementing the NDR in at least 17 different spheres, as set out in the chapters that follow. Detailed assessment of developments in each sphere lies beyond the scope of this beginners' guide to the NDR. Valuable insights can, however, be gained by posing three questions in each area:

- (1) What are the NDR aims here?
- (2) What has been done to fulfil these goals?  
And
- (3) What have been the consequences?

Each time, the answers provided cast a little more light on the NDR story. In combination, they help provide a bird's eye view of how NDR interventions in all these many spheres are working together to achieve a countdown to socialism in South Africa.

### **Comment**

*Much of what we see in the news should now make sense, eg NHI, state bank, comprehensive social security, plethora of SOE, the drive for pension funds to invest in infrastructure projects, etc.*

*Think a bit about the terrifyingly huge losses our Fund has sustained in the last decade, such as Steinhoff, Ayo, Erin, Daybreak Farms, Palmietfontein, etc. The reluctance of 'government' to contribute its share to the Fund, the politician's very own independent pension fund, investment in unlisted*

*companies, the recent large scale unrest and looting, ...*

*Take note of the looming election and the lengths parties will go to for votes, eg food parcels hand out at two recent by elections. It might become much more serious.*

### **Samevatting**

## **Kader Gedrewe Ekonomie en die Staatsdienspensioenfonds**

Maroelamedia  
19 Julie 2023  
Deur Fanie Cronje

'n Goeie aanduiding van hoe die kaderstelsel in die ekonomie werk word gevind in die AmaBhungane en die Motigroep se hofsaak. Die onlangse hofuitspraak laat ook ernstige vrae ontstaan oor die geskiktheid van Dondo Mogojane, die Hoof Uitvoerende Beampte van die Motigroep, om as voorsitter van die Raad van Trustees van die Staatsdienspensioenfonds [SPF] op te tree.

Op 1 Julie 2023 het die Motigroep in 'n dringende hofaansoek 'n bevel verkry om die ondersoekende media, AmaBhungane, te verbied om inligting afkomstig uit Moti-dokumente te publiseer. Die aansoek is op so 'n wyse hanteer dat AmaBhungane nie daarvan bewus was nie en dit dus nie kon opponeer nie.

Op 27 Junie 2023, op versoek van AmaBhungane, is die vorige bevel tersyde gestel. In sy uitspraak was die hof vitriolies oor die gebeure wat dit as 'n skokkende misbruik van die hofprosedure beskryf het. Die audi alterem-reël, vryheid van die pers en die beskerming van fluitjeblasers het ook ter sprake gekom. Daar moet onthou word dat Mogojane te alle tersaaklike tye die Hoof Uitvoerende Amptenaar van die Motigroep was. Hy is sekerlik geregtig op sy privaatlewe maar lede van die SPF is sekerlik ook geregtig om van die voorsitter van hul pensioenfondsrade te verwag om op so 'n wyse op te tree dat sy geskiktheid, veral as die bewaarder van hul pensioenfondse, nie bevraagteken kan word nie.

Wat ook pla is dat die hele aangeleentheid oor geheimhouding gaan. Die SPF is nie juis bekend vir sy openheid nie. Dit is ook



welbekend vir sy meesterlike ontduiking om vrae te beantwoord. Om slegs twee voorbeelde te noem :

Uit die notule van die Parlementere Staande Komitee oor Finansies op 20 Februarie 2020 blyk dit dat 74 vrae van lede van die Komitee nie beantwoord was nie.

Die Mpati-komitee se verslag bevat 377 aanbevelings vir uitvoering. Gereelde verslae is dat 'n onbekende aantal aanbevelings uitgevoer is. Wat uitgevoer is en hoe dit uitgevoer is bly egter 'n geheim.

Die vraag is of hy wel geskik is? Daar was wel 'n baie groot bedrag reeds in politieke gedrewe beleggings gedoen soos duidelik uitgespel deur AMAGP (Verteenwoordiger van die lede van die SPF) se berekening is dat daar reeds meer as R35miljard van SPF deur politieke vriendelike beleggings verlore gegaan het. Die vraag behoort ook gevra te word of dit tans wenslik is dat hy as voorsitter optree.

Die verdere vraag is egter watter rol politici in die bestuur van die pensioenfonds se geldsake speel? Ernstige kommer is ook deur die Mpati-kommissie uitgespreek en aanbevelings gemaak oor politieke inmenging in sake van die SPF.

Die Raad van die SPF bestaan uit 16 lede. Agt word deur die werkgewer (staat) aangestel. Ses word deur vakbonde aangewys, oa Cosatu. Dit beteken dat die trustees wat deur die regering en sy vakbondverteenwoordigers aangewys is, 'n meerderheid vorm. Natuurlik is almal kaders wat sal toesien dat "hul meester" se belange bevorder word. Dit is tans duidelik sigbaar.

By die OBK gaan dit nog erger. Die hele Raad word deur die Minister van Finansies aangewys en volgens die OBK Wet is die Adjunk-minister van Finansies die voorsitter. Dit is dus geen wonder dat politieke oorwegings voorkeur by beleggings kry nie.

Die doel van die Staatsdienspensioenwet, 1996 dat fondse tot die voordeel van die fonds bele moet word, word heeltemal geignoreer, Transformasie en ander politieke doelwitte word eerder deur die kaders nagestreef tot nadeel van die lede van die pensioenfonds.

Aan die hand van bogenoemde kan die vraag oor die geskiktheid van Mogojane beantwoord word. Sy optrede tans rakende die hofsak maak die antwoord NEE. Ten minste behoort hy vir die duur van die litigasie opsy te staan.

Die wette wat die SPF en die OBK daarstel plaas die Minister van Finansies in werklikheid in totale beheer van die SPF.

Die Pension Funds Act (PFA), wat privaat pensioenfondse beheer, bevat 'n meervoud bepalings wat daardie fondse beskerm teen misbruik, bv

- i. pensioenfondse mag nie belê word 'in the business of the employer' nie,
- ii. alle beleggings moet in die beste belang van die fonds belê word.
- iii. Geeneen van hierdie beskermende bepalings kom in die Government Employees Pension Law (GEPL) of die Public Investment Corporation Act (PICA) voor nie. Inteendeel, gee die GEPL aan die Minister van Finansies die bevoegdheid om, saam met die SPF se trustees, die beleggingsbeleid te bepaal, in werklikheid skryf hy dit voor.

Dus het die hoof uitvoerende hoof van die Motigroep die "volmag" om swaar verdiende geld van die afgetrede staatsamptenare, feitlik na goeddunke te bele. Die een hand was die ander, al is dit dieselfde persoon se hande.

Nou mbt die kader gedrewe ekonomie kan mens reeds die gevolge sien. Die ineenstorting van die infrastruktuur vir water en, soos ons almal weet, ook die kragnetwerk. Dink ook aan die SAL en die Poskantoor en Denel, en nog vele meer, en mens kan die effek van die beleid duidelik sien.

Maar dit wil voorkom asof die uiteindelijke doel, dalk onbewustelik en uit onkunde, die totale vernietiging van die ekonomie is. Dit is duidelik dat die finansiële bevoordeling van die kaders, daardie bevoorregte klompie wat, na hul eie mening, die edel stryd teen apartheid gevoer het, dan nou teenstrydig met die oogmerke van die "Freedom Charter" en tot nadeel van die land en die ekonomie is. Dit is nie meer moontlik vir die ANC om dit te verander nie, want die uitvloeisel nl die misdaadkartelle kan

nie deur die ANC gestop word nie, juis oor hulle betrokkenheid deur die kader stelsel.

Maar die optrede van persone soos Mogojane, tesame met wetgewing om die ekonomie wat tans as die privaat inisiatief ekonomie beskou word te beheer, is twee kante van die dieselfde muntstuk. As mens byvoorbeeld kyk na beleggings uit die SPF in oa 'n verskeidenheid van maatskappye soos Ayo, het dit gelei tot beduidende verliese vir die SPF.

Daar is dus geen twyfel dat om van die ekonomiese stelsel van kader bevoordeling ontslae te raak heel moontlik een van die belangrikste stappe en beslis die eerste stap sal wees om misdadigheid in die land aan te spreek. Ja, dit moet waar wees as die ANC met sulke verontwaardiging oor soortgelyke stellings deur John Steenhuisen en die DA reageer. Dit wil byvoorbeeld voorkom asof infrastruktuur in die water pyleiding gesteel word en dat dieselfde groepe dan 'n tender indien om die herstel te bewerkstellig, beslis 'n handige en "kreatiewe sakemodel" om eie besigheid volhoudend te skep.

Op hierdie stadium lyk dit asof almal saamspeel, politici en staatsamptenare, waarskynlik veral in die SA Polisie. En hoekom sal hulle nie, so word die bevoordeeldes dan meer en meer welgesteld.

### *Kommentaar*

*Verontrustende beriggie. En die wyse waarop die regstelsel misbruik is laat mens wonder wat nog misbruik word met betrekking tot ons Fonds.*

### *Synopsis*

## **Heystek: NDR and your savings – what planet do SA fund managers live on?**

Biznews

31 July 2023

By Magnus Heystek

I've been around local fund managers for more decades than I care to remember, first as a financial journalist for 20 years and then 25 years as an advisor. I can say without any fear of contradiction that South Africa has some of the best fund managers, able to stand their

ground against the best of the best around the world.

Many South African fund managers have broadened their investment horizons over the years and headed offshore, either to London or Bermuda, becoming global successes and making fortunes for themselves and their investors. Think of names such as Allan Gray (Orbis), Dr. Simon Marais (Allan Gray/Australia), Stephen Mildenhall (Contrarius), Dawid Krige from Cederberg, Hendrik du Toit and his formidable team at Ninety One.

But even with the best of the best, one needs to be a little careful and take all prognostications about future returns with a grain of salt. No, rather make that a bucket of salt.

### **Bold Forecasts**

I've previously written about the bold forecast made by exuberant fund managers from Old Mutual, proclaiming in early 2018 that South African equities would be the best asset class in the world going forward over the next five years.

We've seen how that confident forecast, carried on the front pages of several media outlets, turned out. Not only have JSE equities been some of the worst performers, but the performance of the Old Mutual range of equities-based funds has been abysmal, returning barely 3-4% over the past five years. Is there any comeback? No...the fund manager can never be held responsible for any forecast. Your advisor maybe, but not the fund manager.

### **Countdown to Socialism and Your Investments**

I raise this issue again following the release of Dr. Anthea Jeffery's new book "Countdown to Socialism" and her interview with Alec Hogg on Biznews. Follow-up reports written by Dave Stewart (FW de Klerk Foundation) and Paul Hoffmann (Accountability Now) further add layers of deep concern to these siren calls.

In short: if Dr Jeffery is only half right, the NDR will be a major threat to your personal wealth and future investment returns, if it isn't already. Her views on the NDR stimulated me many

years ago to read more intensely what the ANC says and writes in its often unreported policy documents at Iekgotlas and other meetings. And there it always was: almost every policy decision by the ANC currently being rolled out today, including National Health Insurance, BBEE-quotas, land expropriation, and race-based quota, have been discussed and analysed for years, much under the radar and under-reported by the mainstream media.

The NDR is a threat to your personal wealth, whether you like it or not. But the NDR is of particular danger to what I call middle-class wealth, people fortunate to have built up some kind of wealth in property, pension, and/or some discretionary investments.

Already the ANC has largely destroyed most property-related wealth, with the exception of the Western Cape. I seem to be the only columnist writing about the calamitous collapse in property values, both commercial and residential. The media has gone silent about this. Instead, it tries to write feeble articles about the latest property hot spot or trend but there is no getting away from the fact that for middle and upper-class South Africans, residential property has been an extremely poor investment over the past 15 years.

In the same week of Dr Jeffery's book launch and the mountain of publicity given to it by certain media outlets, several local fund managers were on roadshows/webinars extolling the virtues of investing in the "cheap JSE". The problem is, I've been hearing such confident pronouncements for the best part of ten years now.

Bricks and mortar have taken the full brunt of the economic consequence of the NDR-inspired policies of cadre deployment, which we see almost daily in the slow but steady collapse of road, rail, and water/sewage. Municipal councils all across the country have been raiding the seemingly bottomless pit of cash provided by ratepayers.

I have long had a problem when local fund managers use historical valuations in South Africa as a guide for making forecasts of future returns. I don't think you can compare the South Africa of 2023 with that of 2003 or even 2013. I also don't think you should be making historical comparisons without taking into consideration the impact of BEEE, cadre

deployment, rampant theft, and corruption, as well as the looming expropriation of property.

## **Bullish Emerging Markets but not South Africa**

It was very encouraging to read the comments by the highly respected Gavin Joubert from Coronation, who runs the R60bn Coronation Global Emerging Market fund and was quoted in Citywire for being bullish on emerging markets, but not on South Africa. In fact, he has no exposure to South African equities in this fund. "I just find better values elsewhere for my investors," he was quoted as saying.

Almost on the same day, Business Day published an interview with Carl Leinberger, CEO of Coronation, who was warning about the ever-shrinking JSE, which has lost almost 60% of its listings over the past 20 years. This simply means ever-shrinking opportunities for South Africa-based investors.

Just last week, two listed companies announced their impending departure from the JSE, Liberty2 Degrees and Royal Bafokeng Platinum, with rumours of other listed companies looking to exit. It also bears mention that Coronation has taken its Reg28 offshore exposure to the maximum, which over the past six months have boosted relative fund returns significantly.

## **In summary**

Ignore the NDR at your peril. Likewise, the role of the EFF under Julius Malema, who again this weekend was chanting his infamous "kill the boer- kill the farmer" hate-filled speech in front of 100 000 people and in front of a global audience. Also, ignore any fund manager who tries to convince you that these are not matters of concern. They don't have your future well-being at heart.

### *Comment*

*Depressing, isn't it? One person's view of the cumulative effects of the NDR on the economy and finances.*

*Our Fund is the single largest investor in the JSE, together with the PIC. Note its lukewarm investment outside SA and the enthusiastic investment in startups and unlisted enterprises.*

## THE GEPF WATCHDOG / WAGHOND FACEBOOK PAGE

Welcome to our 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.

**We are the owners of the GEPF**, and **we have the right to expect 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!

Most of our GEPF members are content with the fact that pensioners still get their monthly pension and perhaps a non-inflation related increase sometimes. They are convinced by GEPF newsletters and ambitious GEPF Annual Reports that our Pension Fund is in a superb condition. The AMAGP newsletters, annual reports and press releases tell a different story.

Our Facebook and AMAGP are together more than 59 000 members and continually growing, but this isn't enough. The 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.

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.

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