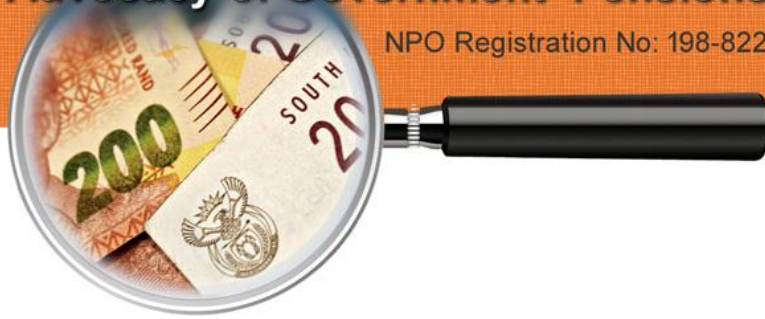


Association for Monitoring and Advocacy of Government Pensions

(AMAGP)

NPO Registration No: 198-822



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

f GEPF Watchdog - Wag hond

f GEPF Forum



NEWSLETTER NO 10 of 2023

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

SLAPP - Strategic litigation against public participation

SOE – state owned entity

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 18 September 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.

action strategy, which, I believe, hasn't changed.

The Editor's Word

Please keep in mind: the financial figures used in the newsletter are taken from the 2022 GEFP AR, which on its own reflects the GEFP financial status as at the beginning of 2022. **Said figures currently almost two years old.** In reality the GEFP AR is only a guideline as it doesn't remotely reflect current value or investments. New figures will only be available whenever the 2022/23 GEFP AR is quietly released. Note the Fund has assets of R1,61trn according to its website, any larger figure would be the assets the PIC manages, which include our Fund's funds.

Eventually the staunchest liberalists and socialists run out of other people's money to spend, ie tax money. Does this sound familiar? Our Fund remains a tempting target to those in 'government' to misuse/spend until they've spent it too.

Now for news from the media

Our investment in MultiChoice seems to be under threat. Let's hope it is temporary.

The bad news of Tongaat isn't going away. The company remains in business rescue and shareholders are unlikely to see any return again. We might be surprised still but I doubt it.

The news about Daybreak farms remains disturbing to say the least, with no clarity in sight. A series of AMAGP letters to the GEFP expressing concern is below.

Our shareholding in Pick and Pay reacted negatively to the new CEO. This shouldn't influence the ROI.

The NHI is progressing as it is moving through the legislation process. Its funding is still an aspect we mustn't ignore.

Those who benefited from the VBS looting are appearing in court one after the other. Unfortunately, the lost funds won't be recovered.

Finally, a letter to the press including a disturbing section of the ANC's affirmative

NEWSNUUSNEWS

Synopsis

MultiChoice investors kiss R32 billion goodbye

Daily Investor
20 September 2023



MultiChoice investors have lost R32bn in six months as the DStv owner struggles to hold on to high-end subscribers and find new revenue streams.

In early March MultiChoice was trading at over R147 per share as investors were upbeat about the pay TV operator's prospects. It changed on 13 March 2023 after MultiChoice released a trading statement, warning that revenue growth in its South African business would be below expectations. Its fixed cost base and additional Showmax costs also caused its trading margin to shrink well below the market guidance.

This news sent the share price plummeting to around R120 per share. That was the start of a six-month decline, which shaved billions off the market cap. When MultiChoice released its results for the year ended 31 March 2023, it showed a 7% revenue increase to R59,1bn but a 48% decline in free cash flow. The board also did not declare a dividend due to a cautious outlook on the South African and Nigerian currencies.

One of MultiChoice's biggest problems is that South Africans continue to dump their DStv subscriptions, especially in the Premium and

Mid-market segments. Many DStv subscribers also downgraded their packages.

MultiChoice is searching for new revenue streams to address the high-end subscriber decline and compensate for lost revenue. Its new strategy includes selling Internet packages, pumping billions into its Showmax streaming service, and acquiring a large stake in sports betting service KingMakers.

KingMakers did not live up to its promise. It managed to increase its revenue, but the costs associated with this growth were far higher than anticipated.

MultiChoice expects a step-change in customer numbers by leveraging this partnership with Comcast and launching new products and price offerings. The company is now pumping lots of money into Showmax and local content to facilitate this growth. It wants to create ten times more local content within ten years. MultiChoice expects Showmax to have the same 3 to 5-year J-curve as its global peers in the streaming industry.

MultiChoice revealed that Showmax, launched in August 2015, lost R1,2bn in the last financial year. These numbers show that MultiChoice will find it challenging to achieve the planned 25% EBITDA target and free cash flow margins of around 20% with ShowMax.

Considering these challenges, JPMorgan downgraded MultiChoice from neutral to underweight in July with a price target of R80 per share. JPMorgan adjusted its revenue outlook for MultiChoice and said it expects trading losses in 2024 and 2025.

The MultiChoice share price plummeted on the downgrade. It continued its slide, by 13 September 2023 MultiChoice was trading at around R74 per share. This means that MultiChoice's market cap declined by R32bn in six months, which caused tremendous value destruction for investors.

Comment

We have about R8,3bn invested in Multichoice. It seems our investment's ROI is under serious threat.

Synopsis

Tongaat shareholders set to receive nothing for their shares

Moneyweb
By Roy Cokayne
27 September 2023



Image: Bloomberg

Investors in Tongaat Hulett appear virtually certain to receive nothing for their shares in the severely financially distressed JSE-listed sugar producer and property company.

Peter Steen, one of the joint business rescue practitioners (BRP), said on Tuesday it was already envisaged in the first version of the business rescue plan that it is the intention to delist Tongaat Hulett and this will go into the amended business rescue plan, which is expected to be published by 31 October 2023.

Steen said the business assets are to be sold out of the legal entities and it is envisaged the remaining legal entities will be wound down and ultimately liquidated. "The shareholders will retain their shares but will receive no value for their shares," he said.

The company has been in business rescue since October 2022. Trading in its shares was suspended by the JSE on 19 July 2022.

Asset sales

The BRP previously announced that Tanzania-based Kagera Sugar had been selected as the preferred strategic equity partner to acquire all of Tongaat's sugar assets, including Tongaat Hulett Limited (THL) in South Africa and its investments in Mozambique, Zimbabwe and Botswana. Steen said the proceeds from the Kagera Sugar sale are estimated to be R3,6bn

plus the assumption of the post commencement finance facility of about R1,7bn.

He said the proceeds from Tongaat Developments are estimated to be about R600mn against business rescue claims of R11,5bn, which puts a negative equity value of R56bn on THL. "There are no prospects of there being an excess of asset value over liabilities, which would produce positive returns to shareholders even if it [the various businesses] were to be broken up," he said.

Steen added that the gap between the realisable value of THL assets from credible bidders and claims against Tongaat is too wide to bridge. He said that if more value was to be gleaned from the assets through an alternative process, the creditors directly gain from any uplift in value before shareholders see any realisation.

Civil action timing

Tongaat company secretary Johan van Rooyen said on Tuesday that in regard to the civil matter, the company issued summons against the former directors for R250mn and this litigation process is ongoing.

Van Rooyen said they are at the end of closing proceedings in terms of pleadings and are hoping to enrol that matter for trial. "In terms of the court's ability to accommodate these cases, it seems like it will be early 2025 or middle 2025 that we will get a court date," he said.

Steen said the proceeds of civil claims forms part of the THL lender group's security and therefore any proceeds from it will go to the lender group.

No 'magical outcome'

Analyst and investor David Woollam said the comments by the BRP that shareholders are unlikely to get anything for their shares did not come as a surprise to him. "Maybe some people have been hoping for the sake of hope that there might be a magical outcome that will deliver something to the shareholders" he said. "But if one has looked at these numbers for the last 12 months, it became increasingly clear from the simple formula of assets minus

liabilities that it was going to yield a negative number."

Woollam doesn't believe there is much prospect of being able to sue the board or other parties, because it is the company that suffered the loss and only the company can seek the recovery of damages. He said there is a certain amount of moral and societal victory that can be achieved by prosecuting people criminally.

Who is to blame?

Woollam said the demise of Tongaat was caused by incompetence and poor judgment by everybody who was involved from the board to management to new boards to new management to regulators. "Ultimately the BRP were handed what is now a rotting carcass. It's hard to blame them for all the problems. They inherited this thing," he said.

Comment

We have about R224bn in Tongaat. It delivered good ROI over the years but, it seems, never again. We still have our shares but it won't have any value. Eventually it will disappear from the assets of the Fund.

Synopsis

Daybreak Farms

AMAGP management has endeavoured to get reaction from the BOT since 2022, without success. AMAGP's latest letters to the GEPP PEO (Principle Executive Officer) below.

**RESPONSE TO REPORTED
INCIDENT/COMPLAINT GEPF
2022/19/12/27221**

Dear Mr Mabesa

Your attached e-mail dated 26 September 2023 refers.

This complaint and communication on Daybreak dates back to late 2022 but with no substantive outcome.

Please allow me to quote from my e-mail dated 12 Jan 2023: 'I request the GEPP to restore good governance at the PIC aimed not only at external corruption but also at internal malpractices possibly facilitating corruption within the PIC. Justice, integrity and

accountability must not only be done but must be seen to be done. Only this can rebuild the trust and confidence that Judge Mpati spoke about.

Sadly, your response does very little to rebuild *'the trust and confidence that Judge Mpati spoke about'*.

You responded by presenting vague high level management interventions. However, there is a total lack of detail and or substance contained in your response and specifically no mention of any accountability or consequence management. Nothing is *'seen to be done'*.

The GEPF and all officials from the members of the Board of Trustees to the Principle Executive Officer and all other members of management have a fiduciary duty to daily live the values of the Fund and to pursue the best interest of the Pension Fund. With respect: your response does not inspire *'trust and confidence'* that this duty indeed is met.

As I am very disappointed in the content of your response, I am not pursuing this matter of Daybreak with the Fund via correspondence any further. You can close your complaint-file number 2022/19/12/27221 as *'Not Resolved: client very disappointed'*.

I still appreciate the fact that you did respond on 26 Sept 2023.

Regards
Zirk Gous
f/AMAGP

**FOR THE ATTENTION OF THE
CHAIRPERSON OF THE GEPF BOARD OF
TRUSTEES**

Dear Mr van Dyk

I avail to you, as a member of the GEPF Board of Trustees, a set of e-mails about an complaint the I, as representative of AMAGP, lodged with the GEPF about allegations of improprieties at the PIC investment Daybreak Farms. Complaint number GEPF 2022/19/27221 refers. I would have preferred to approach the Chairperson of the Board directly on this matter but unfortunately his contact particulars are not freely available. I thus request that you refer

this matter to him and raise this matter at Board-level.

We as AMAGP noted three issues i.e.

-media reports over a period of time about allegations of improprieties at the PIC investment Daybreak Farms;

-the stated GEPF values of *'integrity, transparency, client-centricity, accountability and innovation'* as per the GEPF Annual Report 2021-2022, page 17 (and previous Annual Reports); and

-the complaints procedure of the GEPF which seems to be a practical implementation of these values.

As concerned members of the Government Employees Pension Fund we thus approached the GEPF via the complaints procedure raising our concerns about these improprieties which involves state pension funds. We sought assurance that the GEPF, using its oversight and monitoring function, would be able to provide clarity on the integrity in the management of pension funding of Daybreak against the values of the GEPF i.e. *'integrity, transparency, client-centricity and accountability'*

Sadly, it transpired that these values are only empty words in annual reports. As the attached set of e-mails show, the feedback we received, while being formulated very professionally, are void of any substance.

We are members of the GEPF – thus within the broad definition of clients. We opted to make use of the non-confrontational route of the complaint procedure to seek assurances that are linked to the sustainability of the fund. We could have chosen the statutory route of access to information but in 2022 made the deliberate decision of making use of the complaints procedure.

I would seriously recommend to the GEPF Board of Trustees that it apply its mind as to what the GEPF values of *'integrity, transparency, client-centricity, accountability and innovation'* in practice means and how it is applied. Practically it will impact on how integrity, transparency, client-centricity and accountability are taken from the pages of the annual reports and are *'seen to be done'* We as GEPF members (and clients) have the

legitimate right to transparent communication, to see that government pension funds are managed with integrity and to visibly see that anybody who fails to do so be held accountable. And this is the responsibility of the GEPF Board of Trustees

Regards

Zirk Gous
Association for the Monitoring and Advocacy of
Government Pensions (AMAGP)

**DAYBREAK FARM: RESPONSE TO
REPORTED INCIDENT/COMPLAINT GEPF
2022/19/12/27221**

Dear Mr van Dyk

I greatly appreciate your speedy response.

In consideration of your suggestion to pursue this matter via the GEPF whistle blower policy, I have studied the policy. The adoption of the policy a very positive development within the GEPF. Careful analysis of the policy however indicates that the Whistle Blower Policy in law is not available to a GEPF pensioner of the pensioner grouping for reporting the Daybreak matter. Without going into too much detail, the whistle blower policy is designed to structure internal protection for employees, trustees and more against reprisal from within, to maintain confidentiality about the origin of the report and not to reveal the identity of the whistle blower. None of these principles apply to our complaint. A pensioner like myself is in no need for protection against internal reprisal, the origin of our report is public domain information and identity confidentiality does not apply. We however appreciate your proposal.

As GEPF members and beneficiaries, we have an interest in the long term sustainability of the fund and are greatly concerned about allegations of improprieties in the management of state pension funds.

You also made a request for more clarity on the redress we are requesting. This is a valid request. In answering this, it is important to provide the bigger picture of AMAGP's frustration with our communication with the GEPF in recent times where there was a constant refusal to provide any information of substance on a variety of matters – we believe

in violation of the GEPF value system of integrity, transparency, client-centricity and accountability. Examples:

-as re Isibaya: as from 30 Sept 2022 we communicated with the GEPF on this matter requesting clarity on various elements. On 5 Feb 2023 we structured our request for this information in a complaint to the GEPF Ombud and reference number GEPO 11155 was allocated. Despite the GEPO policy of dealing with a matter within a 2 week period, the complaint was ignored. Only after repeated enquiries (21 April, 15 June, 17 July) it was vaguely ruled that the Ombud has no jurisdiction on this matter.

-as re Tayob-PIC court case where the Tayob family claimed the astronomical amount of R1,3tn from the PIC claiming that these are funds that reside in the GEPF: AMAGP directed two letters on this matter to the GEPF dated 30 Nov 2022 and 28 Aug 2023 asking for some clarity on the risk involved for the GEPF. WE never received even an acknowledgement of receipt.

-as re Palmietfontein: On 14 Feb 2023 we directed a letter to the GEPF about the media reports on the acquisition of the Farm Palmietfontein with allegations also of impropriety by a former GEPF trustee. We received an acknowledgement of receipt but no response to our questions.

-as re requests for records in terms of the Promotion of Access to Information Act: On 1 Aug 2023 I presented a PAIA request to the GEPG dealing with a variety of matters. This request was turned down on 12 Sept 2023. An internal appeal was lodged on 13 Sept which still is the subject of consideration.

-as re Daybreak: the Daybreak matter triggered this approach to the Chairperson of the GEPF Board of Trustees and the detail is found infra.

You thus ask us 'to demonstrate how things are *'seen to be done'* to satisfy the various values'. With Daybreak as example, it will mean practical visible action steps that build trust and confidence in the functioning of the GEPF (and the PIC) in the minds of all stakeholders and the general public:

- jettison the de facto policy of absolute secrecy as demonstrated in above examples about problematic investment matters,
- provide the detail of the management interventions at Daybreak.

What is the GEPF investment mandate to the PIC?

- how does that apply to Daybreak?
- what investigation was done at Daybreak and by who? Publish the investigation report
- what management changes were made?
- critical for good governance and trust in both the GEPF and the PIC: provide clarity on:
 - what consequence management measures were demanded by the GEPF from the PIC?
 - what consequence management measures were implemented: detail on disciplinary and criminal steps taken, how lost funds are recovered and what reports are made to professional bodies to reconsider the registration and good standing of implicated professionals
- more

Above is but some of the visible 'seen to be done' elements of good governance, integrity, transparency, client-centricity and accountability. There are much more.

I will appreciate if you can indeed forward above to the Chairperson of the GEPF Board of Trustees

Regards

Zirk Gous

Comment

Daybreak Farms keeps lurching from one disaster to the next, from the PIC's initial investment to the PIC taking over the [bankrupt] company. This investment is probably going to appear as a total loss in a GEPF AR, possibly next year?

Synopsis

Pick n Pay plummets on loss warning and CEO switch-up

Daily Investor
Bianke Neethling



Pick n Pay's share price dropped by as much as 14% following a disappointing trading update and news that CEO Pieter Boone had been booted from the company.

The retailer informed shareholders that it experienced a particularly challenging first half of the 2024 financial year. This was driven by a weak consumer environment, load-shedding costs, and heightened competitive intensity.

Earlier this year, the company released a trading update warning shareholders that it expected to report a loss at the earnings, headline earnings, and pro forma headline earnings levels for H1 FY24. At the time, the company also advised that the expected loss was primarily due to restructuring costs, duplication of supply chain costs due to its Longmeadow/Eastport Distribution Centre handover, and costs due to load-shedding.

Today, the retailer said it expects incremental abnormal costs of approximately R565mn for the period. Previously, the retailer said it did not expect to report an H1 FY24 loss, excluding these incremental abnormal costs.

The retailer also said its management expects to face continued headwinds in the latter half of the year but anticipates the H2 FY24 earnings outlook to be materially stronger than H1 FY24. However, the company reassured shareholders that its balance sheet remains strong.

In addition to reporting its expectations for a loss, Pick n Pay informed shareholders that its current CEO, Pieter Boone, would be stepping down and its former CEO, Sean Summers, would take up the role again. Summers will take over as group CEO to turn around the performance of the group's "Pick n Pay retail

core engine while ensuring the continued success of the Group's growth strategies".

However, this did not reassure shareholders, as Pick n Pay's share price fell by over 13% following the release of today's trading statement.

Sasfin Wealth senior equity analyst Alec Abraham told Daily Investor the potential loss in the trading period was well-guided by management, and the market reacted in the way it did because the loss was announced. In addition, the seemingly hasty change of CEO may be interpreted as an acknowledgement of what many investors are thinking – "Pick n Pay is in trouble and doesn't seem to have an answer to steady the ship".

He said Summers has many pros and cons, and there's no guarantee that he will be able to turn things around for the company. "And what's more, the decline has been over time, and the solution will also take time – there's no quick fix."

Comment

We have about R3,76bn in Pick and Pay. It remains a good investment.

Synopsis

The end of private healthcare in South Africa – NHI leaves medical insurers in the dark

Businesstech

2 October 2023

By Lenee Green, Mateen Memon, Mariam Ismail

Legal experts at Webber Wentzel say that South Africa's NHI Bill has left many questions and mounting worries over what will happen to the country's medical insurance industry once it has been implemented.

Medical aids and medical insurers are not the same thing in South Africa, governed by different laws and serving different needs.

While the NHI Bill gives a cursory explanation for what will happen to medical aid schemes under the NHI, specifically that they will only be able to cover services not covered by the NHI, the legal experts said the private medical

insurance industry is far more nuanced and has been left in the lurch.

The NHI Bill was passed by the National Assembly in June 2023 and is currently with the National Council of Provinces for consideration.

The Bill has been closely scrutinised and concerns have been raised by medical schemes and insurers about the effect the Bill will have on their current businesses.

Clause 33 of the Bill states that once the National Health Insurance (NHI) is fully implemented, medical schemes can only offer complementary coverage for services not reimbursed by the NHI.

Clause 6(o) of the Bill allows individuals to purchase services not covered by the NHI through voluntary medical insurance schemes. "This means medical schemes cannot cover services already covered by the NHI, potentially jeopardising their existence. This approach may face constitutional challenges related to the right to access healthcare, property rights of medical schemes, and freedom of trade and profession," the group said.

While it is expected that the Minister of Health will introduce regulations limiting benefits to services not reimbursable by the Fund, there has been no indication when these regulations will be published.

Current regime

According to the legal experts, there are four broad categories of businesses that will be impacted by the NHI.

- Medical schemes, as defined in the Medical Schemes Act 131 of 1998 (MSA);
- Insurers licensed to conduct insurance business as specified in the Insurance Act 18 of 2017 (the Insurance Act);
- Insurers who offer products as specified in section 8(h) of the MSA (the Exemption Framework); and
- Insurers who offer products as specified in the regulations published under each of the Long-Term Insurance Act 52 of 1998 and the Short-Term Insurance Act 53 of 1998 (the Demarcation Regulations).

Currently, only medical schemes may carry on the “business of a medical scheme” as defined in the MSA, Webber Wenzel said.

This business and the various definitions attached – such as relevant health services and treatments, etc – are very wide, and are now at risk under the NHI.

However, medical insurers are completely distinguishable from medical aids, the experts noted, and operate on a very different level. There is some crossover, however, and this has muddied the waters on how insurance products will be impacted by the NHI.

“It is apparent that there is an overlap of products provided for in the Insurance Act and offered under the MSA,” the experts said. To address this, the Demarcation Regulations were drawn up to provide for the demarcation between the insurance business and the medical schemes business.

In March 2017, the Counsel for Medical Schemes (CMS) issued an exemption framework for insurers as a transitional arrangement while the development of a low-cost benefit option (LCBO) for medical schemes was developed.

“To the extent that an exemption was granted to an insurer in terms of section 8(h) of the MSA, and subject to the conditions of the exemption, the insurer was permitted to continue to underwrite those products until the expiry of the exemption,” Webber Wenzel said.

On 25 January 2022, the CMS granted insurers that had previously been granted an exemption in terms of the Exemption Framework an extension of a further two years. However, even this whole process risks being snuffed out by the NHI – leaving questions over what will happen once the exemptions lapse.

“What is left in the wake of the NHI Bill is a great deal of uncertainty. Industry participants and stakeholders will have to keep abreast of the process and ensure that their comments are taken into account as the system evolves.”

Comment

The funding of the intended ‘government’ control of the health care in SA is not only

vague, but also currently underfunded to say the most.

Health care is a large part of any pensioner’s financial planning, which NHI might alleviate. Who of us don’t see long queues at clinics, extremely basic services, little medication, etc as a result of NHI? NHI in other countries have proved to be unsuccessful, so why is it being introduced in South Africa?

Politicians at all levels will probably have a different [preferential] NHI, similar to their very own pension fund.

Keep a sharp eye on the Fund intending to provide a loan to the NHI, as for other SOE.

Synopsis

VBS looters finally in court following DA charges – Kevin Mileham

Kevin Mileham
2 October 2023

EFF's Julius Malema and Floyd Shivambu are not part of the 14 appearing before the Pretoria High Court today.

Following charges that I laid in 2018 against 53 persons implicated in the looting of VBS Mutual Bank - including members of the ANC, case number CAS1058/05/2019 will be heard in the Pretoria High Court today. The DA welcomes this significant development which is a critical first step towards holding the first 14 perpetrators of the VBS heist to account.

Although the wheels of justice are only starting to move now, 5 years after the DA laid charges, it is our sincere hope that this is the first of several cases that will force the thieves who got away with murder to have their day in court. Even though the EFF's Julius Malema and Floyd Shivambu are not part of the 14 appearing before the Pretoria High Court today, their participation in the wholesale looting of VBS, which decimated the pensions of vulnerable elderly people, forms part of the investigations that are still ongoing in this case. In an 11-page affidavit that I deposed at the Cape Town police station, I presented well-documented anecdotal evidence which showed how vulnerable people such as mine workers' widows and hard-pressed municipalities had money stolen from them by

politicians and corrupt officials through the VBS Bank heist using a variety of illegal schemes.

The consequences of this heist have been dire: The curator of VBS has indicated that it is unlikely that municipalities will get their deposits back.

This means that these municipalities – which include some of the poorest and worst-run in the country – are still struggling to deliver basic services. It should be noted that it is illegal for municipalities to deposit funds in a mutual bank. So once again, residents will lose out because of ANC mismanagement and corruption!

In Fetakgomo/Greater Tubatse Municipality, for example, basic services such as water supply and the completion of hundreds of RDP houses were put on hold because of the loss of some R245mn illegally invested in VBS.

The Greater Giyani Municipality lost R161mn that was illegally invested in VBS.

IVhembe District Municipality, lost R311mn, which equates to a third of their annual operating revenue.

Considering the amount of time that has lapsed since the scandal was exposed by the DA, some of the VBS looters had started to think they had gotten away with their grand theft. The DA will not let this happen and we will ensure that every implicated individual is brought before a court of law to answer for their criminality.

Comment

We had R39mn invested in VBS. Many municipalities invested huge sums in VBS, which bank, as previously reported, wasn't allowed to accept such investments and the municipalities were prohibited to invest in such a bank. Remember the financial manager of a Limpopo municipality that was fired for refusing to allow such an investment? The wheels of justice keep turning, albeit slowly.

Synopsis

English version of a letter in Die Burger and Volksblad

By Adamus P. Stemmet

Are Pension funds the next on the list?

Editor,

No one should be surprised by the ANC's anxiety to rush legislation on education and health through parliament. All they do is execute an old familiar strategy. Of course, the detail of what is now contained in legislation was not yet known in 1993. However, it was to be expected that they would come up with sacrileges shortly before the election.

In a circular from the ANC to senior staff and "Marshalls" entitled THE SUCCESS STORY: OUR STRUGGLE FOR LIBERATION from June 1993, the background of certain elements of their "struggle" is briefly outlined. Then their strategy regarding health, education and pensions is spelled out as follows:

AFFIRMATIVE ACTION STRATEGY AFTER APRIL 27, 1994

" 5. Health institutions will be Africanised and whites will pay according to their income to enable them to contribute to their liberated brothers.

6. Some white schools will be allowed..."
(Note: Some)

Of course, pension funds will not be left alone by a bankrupt government. The strategy determines:

"7. Pension funds and insurance companies collected billions, over the years, will, be at our disposal"

We have known for years how the cadres misuse the money from the Public Service Pension Fund to maintain government institutions such as Denel, Eskom, the Landbank and others. Investments which are permitted by the Public Investment Corporation Act but are in direct conflict with the Civil Service Pension Act of 1996 are, therefore, illegal are taking place.

The government is bankrupt and in dire need of money. Pensioners of all pension funds, but especially Civil Service pensioners, therefore, have cause for concern. Of course, most of them have long ceased to believe the stories of

state guarantees and the government's responsibilities regarding their pension. How can you believe this if the government has been unable to meet its financial obligations for years, as repeatedly recommended by actuaries?

Comment

See no 7 in the letter above. The threat to our Fund remains alive and insidious. Just because it isn't currently prominent doesn't mean it no longer is part of the strategy.

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 under "**files and FEATURED**". 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, but **we urgently need your financial support for legal actions and other projects.** 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.

VRYWARING

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