Association for Monitoring and Advocacy of Government Pensions (AMAGP)

NPO Registration No: 198-822

SEMPER VIGILANS

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

www.AMAGP.co.za

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NEWSLETTER NO 7 of 2024

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
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 1 May 2024.

***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 the duty to protect and safeguard it against abuse.

The Editor's Word

Please read the first paragraph right at the top of the first page again, the lines in red.

It is in your best interest, dear member, to cast your vote in the coming election. Not voting saying 'my vote won't matter' includes you in the more than two million voters who didn't vote in the previous election, said votes would have made a difference. If you don't vote you, actually, can't criticize the 'government' as you didn't vote. And you accept that the 'government' has your approval to continue with what it has been doing up to now and probably intends continuing with.

Now for news from the media

A page or two about some of the companies we are invested in. To let you know where the ROI is supposed to be coming from.

EOH has growth and ROI challenges. It seems to be in a downward spiral if the share price is an indicator.

The NHI bill isn't. It is now law but faces tedious legal challenges. Negative repercussions are already visible. Our Fund is, of course, ideal to take up the financing challenges that clearly will be one of NHI's major problems

NEWSNUUSNEWS

Synopsis

SA Company Results: The Latest

By Daily Maverick
9 May 2024

Capitec's success story — 22m clients and counting…
Capitec has grown to become a leading case study in banking success, boasting an active client base of 22 million, earnings of R10,6bn, and 11,2 million app users for the year to end February 2024.

Gerrie Fourie, chief executive officer of Capitec, says this growth aligns with the bank's strategy of shifting the market towards digital banking. Capitec App users increased by 180 000 a month and registered more than 11 million logins a day, that's more than 500 000 people using the app every hour, illustrating how the brand has become a part of people's daily lives.

"Over the last three years, we've invested R6,3bn in re-platforming our systems and migrating our data to AWS Cloud services, developing innovative payment solutions and building three new businesses," Fourie says. Card payments increased by 30% to 2,5 billion. The bank further introduced Capitec Pay, which enables secure card-free online shopping by simply entering a cellphone number and authenticating it using the Capitec app.

The bank implemented a new online banking platform that allows clients to onboard remotely in minutes with no paperwork, for a low monthly fee of R50 and the same low transaction fees as personal banking for all businesses, regardless of size.

It seems that having conquered the South African market, Capitec is looking to expand to other shores. In March this year, the bank got the green light from the SARB to increase its ownership of Cyprus-based AvaFin, an international consumer online lending group, from 40% to 97% for around R530mn. Fourie says Avafin presents a strategic opportunity to diversify the bank's income sources and build on its experience in foreign markets. **DM**
Monday, 25 March 2024
We have about R31bn in Capitec

Cash-flush private education group AdvTech hikes dividend by 45%
The latest financial year ended 31 December 2023, saw AdvTech basking in strong demand for quality education, helping it grow revenue by 13% to R7,86bn (up from R6,96bn in 2022), and headline earnings per share by 19%. Over the same period, operating profit increased by 18% to R1,57bn (2022: R1,33bn) and the operating margin improved to 20,1% (up from 19,1%).

AdvTech's tertiary division, which includes Varsity College, Rosebank College, Vega and Capsicum Culinary Studio, has done exceptionally well for the group, with revenue up by 10% and operating profit increasing by 16% to R787mn.

Schools in South Africa (Trinity House, Crawford, Evolve online school and Junior Colleges) continue to do well, seeing 13% growth in revenue to R2,8bn, while the rest of Africa (Kenya and Botswana) had boosted revenue by 14% to R381mn and hiked operating profit by 43% to R114mn.

The group is cash-flush too: it says cash generated by operating activities was up 10% to R1,94bn, which helped fund R669mn in capital expenditure and pay R189mn in finance costs, R415mn in dividends and R375mn in tax; repay R78mn in lease liabilities and settle debt of R190mn.
DM
Monday, 18 March 2024
We have about R1,5bn in AdvTech

Distressed consumers fatten up Standard Bank's bottom line
Standard Bank's headline earnings leapt 27% to R42,9bn for the 12 months to the end of December 2023 with a return on equity of 18,8%. However, markets did not react favourably, with the share price falling about R13 intraday to close at R186,92 on Thursday.

The bank declared a final dividend of 733 cents per share, which, when combined with the interim dividend, equates to a dividend payout ratio of 55%. Standard Bank Group chief executive Sim Tshabalala attributed the financial success to differentiated franchises with key performances from Africa Regions and offshore franchises.

In South Africa, credit impairment charges increased across all portfolios, compounded by the non-recurrence of credit recoveries on the payment holiday portfolio in the 2022 financial year (R500mn). In Africa Regions, balance sheet growth, client-specific provisions and risk migrations led to higher credit charges.

The bank notes that clients are likely to remain constrained until interest rates decline.

Credit impairment charges are expected to peak in the first six months of 2024, driven primarily by ongoing strain in personal and private banking. Looking ahead, the credit loss ratio is expected to remain within but near the top of the group's through-the-cycle credit loss ratio range of 70 to 100 basis points for the 2024 financial year.
DM
Monday, 11 March 2024
We have about R42,2bn in Standard Bank.

Absa crosses the R100bn revenue threshold, sinks money into IT and new staff
Absa's financial results for 2023 showcase mixed gains and pains, with a sum of R126mn from insurance for riot-damaged property.

The banking group crossed the R100bn revenue threshold for the first time as revenue grew 8% to R104,5bn, with stronger growth coming from African regions. "We are seeing the benefits of the strategic choices we made in 2018, as is evident from our diversified business, growing customer franchise and engaged workforce," says Arrie Rautenbach, Absa group chief executive officer.

The bank's customer base expanded 4% to 12,2 million in 2023 from 11,7 million a year earlier. In the face of rising inflation and interest rates, credit impairment charges climbed 13% to R15,5bn.

Non-performing loans increased to 6,05% of total gross loans. Non-performing loans grew by a whopping 20% to R80bn from R67bn the year before.

In addition to its investment in a BBBEE transaction which placed 7% of group shareholding (equivalent to R11,2bn at the time) in the hands of employees and communities, Absa has invested significantly in the recruitment of additional frontline staff. Recruitment, together with spend on digital, contributed to a 10% increase in operating expenses. Absa expanded its employee base and, at the same time, invested more in new digital capabilities to enhance customer experience both in branches and online. **DM**
Tuesday, 5 March 2024
We have about R24,7bn in Absa.

Sibanye swings into loss on PGM price meltdown, $2,6bn in impairments
The sharp downturn in platinum group metals (PGM) prices has hit producers hard, with Sibanye-Stillwater taking a $2,6bn knock in asset impairments. It all adds up to a loss of $2bn for the 2023 financial year versus a $1,2bn profit for 2022.

Sibanye released jarring results on Tuesday which showed it had fallen deep into the red in 2022 as the PGM price meltdown chowed its earnings and mangled the value of assets. It's a dramatic shift from a couple of years ago when PGM producers were reaping record profits from record prices.

The company's rivals, including Northam Platinum and Impala Platinum, have also posted sharply lower earnings, but have managed to stay in the black. The PGM market, which has been hit by a perfect storm of global economic anxiety, premature obituaries of the internal combustion engine and an unexpected decline in rhodium demand from Chinese makers of fibreglass.

"The Group's financial results for the year ended 31 December 2023 were similarly impacted by the sudden and sharp decline in PGM and nickel prices," the company said. "The significant decline in metal prices and uncertain outlook, along with specific operational performance factors, also resulted in the Group having to recognise impairments of R47,5bn against various assets"

The impairments were applied to the US PGM underground operation, SA Gold's Kloof operation, the Burnstone gold project in South Africa and the Sandouville nickel refinery in France. These are non-cash items and an accounting write-down of the value of the assets.

"We continue to see emerging signals that … support our long-held, robust view on PGM demand," the company. These include forecast production growth for the rest of this decade in light-duty vehicles powered by internal combustion engines that require platinum, palladium and rhodium for emissions-capping catalytic converters.

Sibanye has warned before of looming layoffs in South Africa's PGM sector, but the company did not announce any new planned retrenchments, known as "Section 189" notices. **DM**
Tuesday, 5 March 2024
We have about R18,7bn in Sibanye.

Shoprite outruns competitors with 14,6% hike in interim sales
South Africa's biggest and most successful retailer isn't focusing on what is going wrong. Instead, on what it is doing right. While its biggest competitor appears to have lost the plot, Shoprite just keeps on winning. South Africa's biggest and most successful retailer has sold 13,9% more merchandise and gained R4bn in market share in the past six months and it expects an even brighter future.

On Tuesday, the retailer released its unaudited results for the period ended 31 December 2023. After almost five years of uninterrupted market share gains, Shoprite is dishing up some stiff competition for Woolworths and Spar and is clearly eating Pick n Pay's lunch.

Last month, Pick n Pay, which posted its historically worst results in October 2023, announced it would be listing its prized asset, Boxer, in order to pay off debt.

In South Africa, the group's supermarket sales hit R97,5bn over the period, a 14,6% increase on the previous six months. Checkers and Checkers Hyper saw a 13,7% increase in sales, while Shoprite and Usave increased sales by 13,2% and 12,3%, respectively, which Engelbrecht attributed to the focus on putting the customer's challenges and needs front in the business, a commitment to the lowest prices, in-stock availability, efficient operations, and ongoing product and store development.

Shoprite also increased its foothold in the country, opening 369 new stores over the past year. Checkers Sixty60, which is on a massive winning streak, hiked its sales by 63,1% over the past six months.

The board has declared an interim dividend of 267c per ordinary share, which shareholders can expect on 2 April 2024. **DM**
Monday, 4 March 2024
We have about R20,5bn in Shoprite. Note the comments about P&P.

Checkers Sixty60 delivers a competitive edge for Shoprite
Reliable, convenient and quick home deliveries have given South Africa's largest retail group, Shoprite, the upper hand, boosting sales through its Checkers Sixty60 delivery platform by 63,1% over the past six months.

The group ended the second half of 2023 on a high, with sales up by almost 14% to R121,1bn. The group's core business in South Africa enjoyed a healthy 14.6% jump in sales.

In an update on Tuesday, Shoprite said its Shoprite and Checkers Xtra Savings rewards programme had also saved customers R8,4bn over the period.

The group said its robust sales were favourably boosted by its acquisition of 94 stores from the Massmart group, which added 51 Shoprite, one Usave and 42 Shoprite LiquorShops. Over the past 12 months, the group grew by 285 stores, bringing its total number of stores to 2 237.

Outside South Africa, in Ghana, Angola, Mozambique and Zambia, sales were up 20%, increasing in Rand value by 6,2%. It has added nine more stores in nine countries over the past year, bringing that total to 258.

Reflecting the impact of the cost-of-living crisis on consumers' pockets, furniture sales were in the doldrums: OK Furniture and House & Home increased sales by just 1,7%. Consumers are increasingly cash-strapped, spending less on discretionary items like clothes and appliances while channelling their money towards the necessities of life.

The group's other operating segments, comprising OK Franchise, Transpharm, Medirite Pharmacies, Red Star Wholesale Catering Services (previously Checkers Food Services) and Computicket, reported sales growth of 23.1%.

The OK Franchise division was up by 25%, increasing its store base by 70 stores over the year. A total of 605 stores are now franchises. **DM**
Monday, 29 January 2024

Aspen expels pig intestines and moves on to greener pastures
Multinational pharmaceutical manufacturer Aspen Pharmacare is poised for strong organic growth after switching manufacturing agreements for the supply of heparin-based syringes to a toll contract manufacturing arrangement. The move will effectively reduce Aspen's investment in heparin inventory and increase operating cash flows in the current financial year and the next.

In the six months to the end of December 2023, Aspen's investment in heparin inventory was reduced by R1bn, with a further R2bn reduction anticipated by the end of June this year.

The other big move Aspen made in the first half of the year was the conclusion of a Sandoz agreement, which included acquiring the Sandoz business in China for a net upfront consideration of €27,9mn. Management expects to get competition authority approval for the deal in May.

Revenue climbed 10% to R21,1bn while operating cash flow per share jumped 44% to 553,2 cents. Aspen's share price has climbed 16,55% over the last year to close at R205,21 on Monday afternoon. **DM**
Thursday, 29 February 2024
We have about R15.8bn in Aspen.

FNB takes a hit of almost R1bn as clients benefit from fee reductions
FNB will absorb a hit of almost R1bn in the current financial year on the back of fee reductions, says FirstRand Group chief executive Alan Pullinger. The relatively muted growth in FNB's fee and commission income for the six months to the end of December was due to sub-inflation fee increases across both retail and commercial accounts.

In addition, with the introduction of PayShap, FNB reviewed its pricing structures for low-value, real-time payments and decided to reduce all related fees and absorb the entire impact of the repricing in one financial year (to 30 June 2024). "The resultant 30% increase in real-time payment volumes that FNB has already experienced since the repricing action demonstrates this is the correct outcome for customers."

The bank says these numbers reflect a consistent origination strategy to focus on sectors showing above-cycle growth, and which are expected to perform well even in an inflationary and high interest rate environment.

Pullinger says the credit loss ratio of 0,83% is particularly pleasing since it is well below the midpoint of the group's through-the-cycle range. The retail and commercial segments of FNB registered excellent growth in deposits off an already high base.

Total group operating expenses were 9% higher and in line with expectations. FNB grew costs below inflation, but this was offset by a significant increase in costs from RMB (+13%) due to elevated investment in platform and geographic expansion.

Commenting on second-half prospects, Pullinger said the group expects the macroeconomic environment to remain largely unchanged, characterised by high interest rates and persistent elevated inflation.

Shareholders will receive an interim dividend of 200 cents per share, representing a payout of 59%. **DM**
Wednesday, 28 February 2024
We have about R52,9bn in FirstRand.

Woolworths shows food basket brims with potential
Woolies Food delivered solid growth, with turnover and concession sales growing by 8,4% and 7,2% on a comparable store basis. Subdued spending on discretionary items dragged down Woolworths' half-year profits. And the weak economy is not helping.

The retailer released its interim results on Wednesday, for the 26 weeks ended 24 December 2023.

Once again, Woolworths Food delivered solid growth, with turnover and concession sales growing by 8,4% and 7,2% on a comparable store basis, despite the impact of rolling blackouts, bird flu and the taxi strike. In the last six months of the period sales grew by 8,6%. Online sales through the Dash app were up by 46,6%, although that only comprised 5,1% of South African sales.

Its gross profit margin increased to 24,6%, which it attributed to targeted and effective promotions and value chain efficiencies. Adjusted operating profit grew by 13% to R1,6bn. Adjusted for the impact of the blackouts, operating profit grew by 13.2%.

Fashion, Beauty and Home (FBH) was making steady progress. Woolworths CEO Roy Bagattini said the standout performer was its food business, but FBH was up 16%. "We've doubled our Beauty business in the last three years and our plan is to double it again in the next two to three years. "We now have 20% of the beauty market in South Africa."

The apparel business, which is struggling in Australia, saw a 7,4% decline in earnings per share (EPS) from continuing operations, while headline EPS declined by 7.5% and 31% across the group.

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The economic environment in South Africa was and remained challenging, exacerbated by the energy and logistics crises which hurt business and consumer confidence. However, despite the difficulties, its combined southern Africa business grew operating profit by 10% on last year.

Woolworths Financial Services (WFS) showed a 4,9% increase in new accounts and credit card advances. The annualised impairment rate for the period was up slightly to 6,3%, from 5,5% in the prior period.

In Australasia, trading conditions have worsened: consumer sentiment in Australia is at near-record lows and household savings are the weakest since the global financial crisis. Woolworths noted in a statement that there was a marked shift from spending on goods to services.

The rest of the financial year was likely to remain difficult, with rising inflation and high interest rates putting pressure on consumers the world over but South Africa also had the energy, ports and other crises to contend with, alongside the upcoming elections and ongoing global geopolitical tensions. **DM**
Wednesday, 31 January 2024
We have about R11,3bn in Woolworths.

Astral Foods reports its first loss in 23 years
If 2023 was a disastrous year for Astral Foods, the chicken producer seems to be more hopeful for the future. After last year's intensive rolling blackouts, water supply issues, record high input costs and a crushing outbreak of the highly pathogenic avian influenza (HPAI), Astral reported its first loss in its 23-year history.

On Wednesday, it was more optimistic, saying that it was expecting to return to profitability in the first quarter of the financial year ending 30 September 2024, after making good headway in addressing some of its recent issues.

It also said it had managed to avoid a shortage of chicken during the outbreak of HPAI, which increased costs as it had to import broiler hatching eggs. Owing to what it called "depressed consumer spending", Astral said it had aligned broiler slaughter numbers to adapt to the current market conditions and was committed to recovering its input costs.

After last year's disastrous results, Astral now says it expects that earnings per share and headline earnings per share for the six months ending 31 March 2024 could increase by "at least 300%" to 647c and 654c, respectively.

Thomas said despite claims that bird flu had little impact on supplies or prices on shelves last year, Statistics South Africa's latest inflation figures showed that egg prices surged by 38%, chicken giblets by 18,3%, fresh chicken portions by 14,6%, whole chicken by 8,4% and individual quick frozen portions by 6,4%, all above average inflation for 2023. "These price increases clearly reflect the ongoing impacts of bird flu both locally and abroad, in addition to the effect of new import tariffs implemented in August last year." **DM**
Tuesday, 30 January 2024
We have about R1,25bn in Astral.

Truworths owes buoyant sales to Office stores
Clothing retailer Truworths owes most of its healthy recent sales to shoe sales at the group's UK-based Office stores, which saw a double-digit increase over the past six months. Store account sales have been flat since 2022, comprising 70% of all retail sales, while fewer customers were paying for their goods in cash.

The retail group released a trading update for the period from 3 July 2023 to 31 December 2023, which showed an 8,2% increase in retail sales to R12,2bn compared with the previous financial period.

Sales at Office grew by 15,6% to £162mn relative to the prior period's £140mn, which in rand terms saw growth of 33,1% to R3.8bn. It said Office was benefiting from its "unique market positioning, brand partnerships and strong online presence". Online sales comprised 47% of Office's retail sales in the current period, growing by 3% in the prior period.

Truworths Africa was down by 0,3%. Poor economic conditions and high interest rates ate into consumers' disposable income, which affected sales. The group granted less credit due to consumers' declining credit health, which also hurt sales. Retail sales were down 1,6% to R4bn for the last nine weeks of the year. Online sales, though, were robust, increasing by 41% and contributing 4,2% to Truworths Africa's retail sales.

Once again, a retailer blames port congestion for weaker-than-expected sales, which resulted in reduced deliveries ahead of the Christmas season. Last week, Mr Price said the Durban port congestion disrupted festive season trade, as it kept an eye on the instability of the Red Sea shipping route which has increased time on the water. This also increased shipping costs, although Mr Price said its rates were contracted until June.

TFG said economic conditions in all its operating territories remained challenging. In its update on 24 January, TFG said: "In South Africa, this was exacerbated by continued load shedding and delays experienced at ports, which impeded the planned flow of inventory. The impact of these import delays was offset to an extent by the ability to increase volumes from TFG's local manufacturing capacity."

Woolworths, too, said in its half-year results that the energy crisis, compounded by the fiasco at South Africa's ports, the cost-of-living crisis and bird flu, had weighed down sales. **DM**
Wednesday, 24 January 2024
We have about R4,3bn in Truworths.

TFG reports healthy growth in turnover
TFG's latest results show e-commerce is booming. Bash, its online sales platform, grew by almost 45% over the nine months leading up to 30 December, contributing 4.2% towards the group's Africa business.

The group also saw a 9% growth in turnover, largely owing to robust festive season trading and growth in its Africa division. In a trading update released on Wednesday, the group, which owns the Foschini, @Home, American Swiss, Coricraft and 30 other brands, said it also grew turnover in the last three months of 2023 by 4.5%.

Turnover was healthier closer to home than in the UK and Australia: TFG Africa grew turnover by 5,1% in Q3 and for the month of December, by almost 12%. TFG Africa's cash turnover now comprises 75,8% of the division's Africa turnover and 82,4% of group turnover.

Bash, the group's online shopping platform, grew turnover by 29,2% in Q3 FY2024. TFG Africa's online turnover was also up, by 44.8% in Q3.

Both TFG London and TFG Australia's performances were to be viewed in the context of exceptional performance after Covid recovery, the group said, adding that consumers were under pressure from the cost-of-living crisis.

DM

Tuesday, 23 January 2024

We have about R6,6bn in TFG.

Comment

Just some information we should be aware of. The JSE is where most of our ROI is.

Synopsis

EOH boardroom drama

MyBroadband
Staff Writer
3 May 2024

A cryptic EOH SENS notice on Friday sparked speculation that a boardroom brawl may be brewing at the technology service provider. EOH informed shareholders that it "has been approached by certain shareholders regarding the succession plan for the board".

The announcement came less than an hour after the company announced Jesmane Boggenpoel had resigned with immediate effect. Boggenpoel is a managing partner at private equity fund AIH Capital and served on the EOH board since 2019.

EOH did not provide a reason for her resignation. It also did not say which shareholders approached the board or what is meant by a "succession plan for the board." However, shareholder upheaval is not unexpected. They have lost a lot of money, and EOH has no clear growth path.

The last five years have been a trying time for EOH as former CEO Stephen van Coller tried to steady the ship. When Van Coller took the reins, the share price was on a downward trend. It traded at R40 per share, well below its highs of over R100 two years earlier.

The company was under pressure because of its growing debt burden, reports of corruption and mismanagement, and poor corporate governance. He was there to fix the problems created by his predecessors while growing the company and creating shareholder value.

He focused on two things: addressing corruption at EOH and reducing debt. He succeeded admirably in both departments. However, it came at a price. Shareholders lost most of their money, and he sold many of the crown jewels to repay the banks.

Shareholders also had to fork out a lot of money in a rights issue in 2023 or face significant dilution. Following the rights issue, Van Coller introduced a new strategy and welcomed a new era for EOH, dubbed EOH 2.0.

At the time, the share price was around R1,70, and shareholders were upbeat that the time for growth had come after years of pain. However, this did not happen. EOH continued to deliver disappointing results, and the share price plummeted to R1,05.

To add to shareholder pain, both Van Coller and CFO Megan Pydigadu resigned and left the company over the last year. EOH chair Andrew Mthembu took over running the company as acting CEO on 1 April 2024, with the search for a permanent chief executive ongoing.

It is, therefore, no surprise that shareholders are looking for stability and a clear path to growth for the struggling IT firm. However, it may not be all bad. Earlier this month, EOH announced that Peresec pumped money into EOH and now holds 5,06% of the company's ordinary shares. After this significant investment, Peresec may be looking to strengthen the board and create stability at the company to bolster its performance.

Comment

We have about R59,3mn in EOH. Going from R100 to R1,05 is clear evidence of the market view of the share value.

Synopsis

SA medical insurers plunge as President Ramaphosa signs controversial NHI Bill

BizNews
15th May 2024
by Editor BizNews

South African medical insurers like Discovery Ltd. plunged following President Ramaphosa's announcement of signing a controversial health bill, aiming to dismantle disparities in healthcare. The National Health Insurance (NHI) bill proposes universal care via a state fund, alarming businesses reliant on private sector financing. Critics cite cost concerns and constitutional challenges.

By Khuleko Siwele

Shares in Discovery Ltd. and other South African medical insurers slumped after President Ramaphosa said he'll sign into law a new health bill that's opposed by business. The president has vowed on the campaign trail to use the legislation to end "health-care apartheid."

Discovery dropped as much as 7,4%, the most since March, while peers including Momentum Metropolitan Holdings, Sanlam Ltd. and Old Mutual Ltd. also traded lower. Discovery has dropped 22% this year, compared with a 2,7% increase in the FTSE/JSE Africa All Share Index.

The so-called NHI bill provides a framework for the provision of universal care through a state-run fund and will ban the private sector from financing treatment covered under the plan. Ultimately, the legislation aims to provide quality health care for the 85% of South Africans who have no medical cover and rely on a decrepit public system with too few doctors.

Discovery derives about 34% of earnings from its South African health business, according to data tracked by Bloomberg. Under the NHI Bill, that division will no longer be allowed to operate, Avior Capital Markets Ltd. analyst Adrienne Damant said in an emailed response to questions.

"Ultimately, it's an essential part of Discovery's business that regulation is outlawing," she said. South Africa's FTSE/JSE Health Care Providers Index was among the biggest decliners on the JSE Tuesday, with hospital operator Netcare Ltd. leading a retreat in the sector, falling 5,7%, the most since April 2023. Shares in Life Healthcare Ltd. dropped 2%.

While there's widespread support for reform of a system in which a multibillion-rand private health-care industry services less than a fifth of the population, NHI critics argue the government's proposals haven't been properly costed and may be successfully challenged in court. "The implementation of the NHI bill in its current format is not sustainable, and we expect the already documented challenges made by numerous stakeholders to become more vocal, particularly around the constitutionality of the bill," Damian McHugh, chief marketing officer at insurer Momentum, said in an emailed statement.

South Africa's main opposition Democratic Alliance said it plans to challenge the law in court once it's signed into law. "We have built up reams of correspondence, including with Ramaphosa himself, that we will enter into evidence to show that the process which led to the adoption of this bill by Parliament disregarded public input, and that the bill itself is flagrantly unconstitutional," DA leader John Steenhuisen said in a statement on Tuesday.

Comment

Just before the election together with the pension amendment. Already there are businesses cancelling their employee medical aid, increasing their salaries to make up. Similar negative results are doing the rounds. NHI won't be implemented while wending its way to the Concourt.

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, annua reports and press releases tell a different story.

Member totals: Government Employees Pension Info (Fb) has 78 000 members, GEPF WATCHDOG (Fb) 52 000 members and AMAGP 8 000 members. The total is about 138 000, but keep in mind there will be some duplication as some members will have signed up for more than one forum, so let's agree on at least 120 000 for a round number. This isn't even close to being enough to convince the 'government' to pay attention when AMAGP releases media statements. The continued growth in AMAGP numbers 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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