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Association for Monitoring and Advocacy of Government Pensions (AMAGP)

NPO Registration No: 198-822

SEMPER VIGILANS

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

www.AMAGP.co.za

GEPF Watchdog - Waghond

GEPF Forum

GEPF your investment, your future

NEWSLETTER NO 2 of 2025

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 1.267 million active members, in excess of 524 030 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 5 February 2025.

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

Any volunteers to analyse the 2024 GEPF AR, and the PIC AR as a bonus? Especially those retirees wondering what to do with their time. AMAGP would love to hear from you.

Now for news from the media

An extremely lucid article from one of our very active AMAGP members. Just to remind us of the ongoing threat to our retirement peace of mind.

A Nigerian bank is buying another SA bank. Didn't know we had so many banks in SA.

We aren't invested in the SABC, but the culture of non-payment reflected in the SABC is of interest. Reflected in 'government' SOE I believe.

Closing down steel plants in SA is bad news, set to continue the economic downspiral. Arcelor Mittal is closing some of its steel plants.

A nice comprehensive report on real estate investment trusts [REIT]. Yes, we have more than R41bn in total invested in real estate.

The UIF is taking one of its loans to court to safeguard its loan, the PIC is co-applicant. Good news, looking forward to the GEPF doing it too.

NEWSNUUSNEWS

Synopsis

Where to go with the Public Service Pension Fund?

Regardless of what will be mentioned below: the GEPF is (still) a good pension fund. For the existing officials: don't even consider withdrawing from the GEPF: remain a member in retirement: for the rest of your life, there will be a cross-subsidisation after you retire from the working officials to your monthly pension. For existing pensioners: be grateful for each month's pension payment.

However, there is also the dark side of the pension fund.

GEPF Funding and Sustainability

The GEPF claims in its 2023-24 annual report that it maintains a funding and sustainability rate of 110%. This, unfortunately, is only a half-truth. All pension funds are measured on a funding or sustainability index of 100, with two criteria.

- Criterion 1 is the minimum funding level that compares the assets of the fund (contributions and investment income) measured against its liabilities, i.e. the expected cost of the benefits to be paid on a long-term best-option calculation.
- Criterion 2 is the funding level after provision for contingencies (e.g. members live 20 years longer and are therefore an unforeseen burden on the fund for another 20 years) or poor returns on investments. The true measure of the sustainability of a pension fund is Criterion 2.

The GEPF's claim of a funding rate of 110% for the GEPF is correct if it refers to Criterion 1. BUT the Criterion 2 rate for 2023-24 is only 74%. So, there is a 36-percentage point difference between Criterion 1 and Criterion 2.

The 16-Year Sustainability Slide

The GEPF's sustainability rate over 16 years since 2006 shows a drastic decline. The 2006 Criterion 1 rate was 128% versus 2023-24's of 110%. The Criterion 1 sustainability rate therefore fell by 18% over 16 years. The Criterion 2 rate stood at 102% in 2006. In 2023 it stands at 74% – a drop of 28%. Clear red lights!

The GEPF does not manage the investment of its R2,4trn funds itself but uses the PIC as the investment agent for the day-to-day investment of its funds.

In 1999, the PIC launched a secret project, namely Isibaya. The investment criteria for the Isibaya investments had a clear political content such as socio-economic transformation and growth, BBBEE and more. Isibaya has become a breeding ground for highly questionable investments that have benefited politically connected individuals. In 2016, the PIC was forced by SCOF to produce a full report on the Isibaya investments. It showed investments to the value of R44,6bn (2,4% of the PIC's investment capacity) of which 45% were identified as unsuccessful.

In 2018 the Isibaya misadventures had become so blatant that a Judicial Commission of Inquiry (the Mpati Commission) was appointed to investigate the allegations of improprieties at the PIC. In 2020, the commission produced a damning report in which the Isibaya investments were highlighted as the cause of the loss of billions of rands of GEPF pension money. According to our calculations approximately R34bn. Mpati made a multitude of recommendations to establish accountability and institute consequence management. Of these, very few were implemented and/or very little has been made visible in the public domain.

Since 2017, the GEPF's annual statements started to reflect the weak investments that have had to be written off as a result of (primarily) Isibaya. The annual report 2017-2018 to 2023-24 shows that more than R50bn has been written off by the GEPF in 7 years. A careful reading of the transcripts shows strange results. For example, in 2020 the Mpati Commission seriously criticised the fact that R4,3bn was invested in a company called AYO; with recommendations regarding consequence management. Follow-up reporting in the public media referred to court settlements where a minimal amount was recovered. To date, the name AYO has not been mentioned in the write-off lists. There is indeed a reference to impairments as re a sister company, Independent Media, which received funding in about 2016, but the silence about AYO is deafening.

Political Control of the GEPF and PIC

Both the PIC and the GEPF are under the political control of the Minister of Finance. In terms of the GEP Law, the investment policy of the GEPF must be approved by the Minister of Finance. Similarly, half of the Trustees of the GEPF are appointed by the Minister of Finance. Clear political control.

The same Minister '*in consultation with Cabinet'* appoints all the members of the PIC Board. The Deputy Minister of Finance is the Chairman of the PIC Board. The PIC legislation places the obligation on the PIC to invest in a list of eight areas that can only be identified as political priorities e.g. transformation, job creation and more. Here, too, there is an indication of clear political direction.

Additionally, Ministers act as if the Cabinet and politicians own the PIC funds. On 8 September 2024, the Minister of Health, Minister Motsoaledi announced during a TV interview that the Cabinet has approved that R10Bn will be obtained from the PIC to fund the National Health Insurance initiative. However, legislation confers the exclusive right on the PIC to approve its investments internally. In terms of the same Act, the Cabinet has no power to make such a decision. Under media pressure, the PIC confirmed that they had never even received a request to accept the NHI as a project nor to approve funds, (obviously as at the date of their statement. However, this Cabinet decision places massive political pressure on the PIC to indeed grant such approval for the funding of the NHI should a request be received in this regard.

Quo Vadis the GEPF and the PIC?

In a recent media report, the SCOF stated that employers who mismanage their employees' pension funds (deductions made but not paid over to the pension fund) are committing a crime against humanity.

Indeed, our Constitution (Section 195) states that the public administration in South Africa must adhere to the democratic values and principles enshrined in the Constitution. These include the principles of transparency and accountability. Section 195 has been cited repeatedly in many court judgments including the Constitutional Court itself. The PIC Act stipulates that the PIC and the Minister of Finance must submit a full report to parliament on all investments, including the unlisted investments that are the raison d'être of Isibaya. The investments must also be published in full on the PIC website. Practically, the PIC and the Minister ignore this provision of the law; the existing disclosure made to parliament and/or the relevant Standing Committee can be found on the PIC's website but is by no means complete. All the investment scandals that have been exposed by Mpati or appeared in the media therefore seemingly put no block on the political desires to use the pension money of public servants for political adventures.

This disclosure obligation recognises the democratic right of civil servant citizens to be fully informed about how their pension funds are managed. It's an old truth that crime and misbehaviour only thrive in the dark. Sunlight, however, has the sanitising effect of exposing such crime and also exposes the perpetrators to criminal consequences.

So, where to go with the GEPF? The answer is obvious: put the management of pension funds in clear sunlight. Enforce the full disclosure of investments as provided by law by appealing to the courts. Full disclosure will go a long way towards exposing malpractices and preventing further losses of huge amounts of the pension fund's monies.

And our public servants and pensioners will sleep more soundly knowing that no crime is being committed against 'public servant humanity'. And I hope and trust that civil servants and pensioners will be deemed 'humanity' by the courts.

Zirk Gous
December 2024

Comment

The other half of the Trustees are from the trade unions. One pensioner represents the 450 000 pensioners and 15 state and labour union appointees represent 1,2 million contributing members. The political control should be clear from these figures. And the value AMAGP adds to you, the pensioner and contributing member, being able to depend on having a pension in decades to come.
Keep in mind that politicians' pensions at all levels are different from those of civil servants, and are paid out of monthly tax income and not the GEPF. Their pension interests don't necessary coincide with those of government employees.

Synopsis

Nigerian giant buying one of South Africa's biggest banks

BusinessTech
Luke Fraser
7 January 2025

Bidvest Bank is being sold to Nigerian-based Access Bank, which is set to expand the latter's operations in South Africa substantially. The acquisition is expected to close in the second half of 2025, subject to regulatory approvals in South Africa and Nigeria.

In December 2024, JSE-listed Bidvest announced that it would dispose of 100% of Bidvest Bank Holdings Limited to Access Bank plc. Bidvest is expected to raise R2,8bn from the sale, which will then be used to settle its existing debt.

Access Bank is the largest lender in Nigeria by assets and is a full-service bank with over 60 million customers globally across three continents. The group has four business segments: retail, business, commercial and corporate.

"Through its strong presence in Nigeria, 16 subsidiaries in Africa, the United Kingdom and representative offices in China, Hong Kong, the United Arab Emirates, India and France, Access Bank employs over 8,400 people," said Bidvest.

The Nigerian-based company noted that South Africa's banking sector is the largest in Africa, with a combined tier 1 capital exceeding $42,2bn in 2022. Despite a tough operating environment, the industry still achieved headline earnings growth of 2,5% year-on-year and maintained strong profitability in the first half of 2024.

Access Bank has been operating in South Africa since 2021 after it acquired Grobank. Grobank, previously known as Bank of Athens, was primarily focused on agriculture before Access Bank transformed it into a retail banking operation.

Bidvest sells more
On top of the announcement to sell its banking division, Bidvest also announced that it reached an agreement to dispose of 100% of FinGlobal to the Momentum Group subject to regulatory approvals. "This acquisition supports our stated strategic intent to invest in financial advice to drive growth," said Johann le Roux, CEO of Momentum Retail.

"FinGlobal's financial emigration capabilities will not only strengthen Momentum's existing holistic financial planning, advice and fiduciary capabilities but also support other industry players' service offerings." All FinGlobal employees will be retained as part of the transaction.

Bidvest also announced that it was in possession of binding offers from existing life insurers for 100% of Bidvest Life. In December, Bidvest said that one of these offers will be advanced to an agreement in the coming weeks.

"Bidvest Bank, FinGlobal and Bidvest Life will be disclosed as a Disposal Group held for sale in the consolidated Bidvest financial statements for the financial year, which commenced 1 July 2024."

Comment

We have about R17,9bn in the Bidvest Group. It looks like Bidvest is disposing of all non-core business. Worth watching.

Synopsis

Final days of the SABC TV Licence

My Broadband
By Daniel Puchert
17 January 2025

Communications Minister Solly Malatsi has said he is revising the SABC funding model so that the entity can sustain itself while the SABC Bill is in development. This follows Malatsi's questioning in the National Assembly after he decided to withdraw the Bill from Parliament at the end of 2024, deeming it ineffective.

"To sustain the SABC while a new bill is being developed, I am focusing on creating a revised funding model that aligns with modern broadcasting realities, Malatsi said. To determine what works effectively, he said this process would involve assessing the SABC's current funding mechanisms, such as TV licence tax and advertising revenue streams.

Malatsi also wants to investigate innovative ways of generating revenue for the public entity that leverages digital transformation, as non-compliance with the tax-based TV licence reached 87% in 2024. Media Monitoring Africa director William Bird has highlighted that while the TV licence was supposed to generate revenue to fund content produced as a public service, it is instead the content that has brought in the most revenue for SABC.

One suggestion that the SABC has already made is a household levy in place of the TV licence, as it says access to its content has expanded to multiple devices and is no longer only available on a TV. It also suggested that SARS and DStv owner MultiChoice help collect this levy. However, MultiChoice has said that making a private company responsible for collecting a state-owned rival's tax revenue is an unacceptable solution.

The Minister said he would work closely with stakeholders to conduct technical reviews to ensure the sustainability of the funding models implemented. This should ensure the SABC's financial independence and competitiveness when the Bill is implemented.

"Legislation without a practical and effective funding mechanism would not solve the broadcaster's challenges and would merely delay meaningful solutions," Malatsi said. Additionally, Malatsi said the Bill also caused concern regarding the excessive powers granted to the Minister, saying it is "something I believe would erode media freedom."

Malatsi's decision caused ripples in President Cyril Ramaphosa's GNU. Ramaphosa swiftly stripped ministers of the power to withdraw bills without first getting approval from him and Deputy President Paul Mashatile. DA leaders in the GNU have said the president's new rule cannot apply retroactively. However, the Minister of the presidency, Khumbudzo Ntshavheni, disagreed.

This disagreement continued when Malatsi voiced his frustrations with National Assembly speaker Thoko Didiza, who had yet to gazette the Bill's withdrawal after a month of the Minister writing to her. "It's very clear that there is stalling from the Speaker's office to withdraw the bill, which is extraordinary because that would be in violation of the very same rules she's supposed to uphold," he said.

Diko condemned these comments by saying that the criticism was unwarranted and unconstitutional. However, Malatsi remains steadfast in his position, having said that he will explore legal avenues to reinforce the decision to withdraw the Bill.

Comment

The SABC is one of the about 130 state owned entities. In several of which we have bonds and direct loans, such as Eskom, Transnet, Telkom, SANRAL, Landbank, etc. We aren't invested in the SABC but note the 87% non-compliance with TV licenses.

Synopsis

Steel closures threaten South Africa's $257bn infrastructure plan

BizNews
21 January 2025
By Antony Sguazzin, Ntando Thukwana and Loni Prinsloo

ArcelorMittal's plans to shut down a century-old steel mill in South Africa are holding President Cyril Ramaphosa's dream of fostering a $257 billion infrastructure boom to ransom.

That plant and two others it wants to idle, supply what builders need for the vaunted exponential rollout of power-transmission towers, rail lines and new roads. Projects that the leader says will turn the country into "a construction site," boost sluggish growth and provide much-needed employment.

They are also crucial to the jewels in South Africa's manufacturing industry, its auto plants, and provide the specialty steel for the drills used in the country's precious-metal mines that rank among the world's biggest.

Rand York Castings Ltd., one of the nation's largest steel fabricators, said it may move a unit that makes civil-engineering products it exports globally to India. Industry groups estimate that at least 100 000 relatively high-paying positions are at stake in South Africa.

"It's a devastating blow to South Africa's industrialisation and infrastructure-development goals," said Lucio Trentini, the chief executive officer of the Steel and Engineering Industries Federation of South Africa, which represents more than 1 300 companies employing 170 000 people.

The company said that after a year of inconclusive talks with the government, it will shutter its long-steel plants in Vereeniging and Newcastle at the end of the month.

"We cannot delay this decision any longer," ArcelorMittal CEO Kobus Verster said. "The government is willing to listen but is not really able to make decisions. Could they have done more? Of course they could." South African Trade Minister Parks Tau has since then put together a team that's "working day and night" with AMSA, as the company is known, to stave off the closures, said Yamkela Fanisi, his spokesman.

While steel consumers can source the more-basic materials that AMSA supplies from local steel mills that melt scrap in electric-arc furnaces, they will need to import larger steel sections and specialty steels, limiting flexibility and raising costs.

A number of steelmakers and so-called mini-mills out-compete AMSA for the market for less-specialized products the company produces. Those include Scaw Metals, Cape Gate Ltd. and Unica Iron and Steel Ltd.

AMSA has turned down a number of offers for its shuttered or struggling plants. Scaw has made multiple offers to buy or operate Vereeniging, which supplies the crucial auto sector, and can now make some of the products itself, Commercial Director Mzamo Mjekevu said. While both Scaw and Cape Gate are expanding and upgrading their operations, Mjekevu said the local market is too small for rival mills to invest in some specialised projects.

At a press briefing on 17 January following her first visit to AMSA's Vanderbijlpark operation, Labour Minister Nomakhosazana Meth said the government was engaging with the company and that the situation was "urgent." Sitting alongside her, AMSA CEO Verster said time was running out for a resolution.

The industry isn't holding out much hope that it will come.

Comment

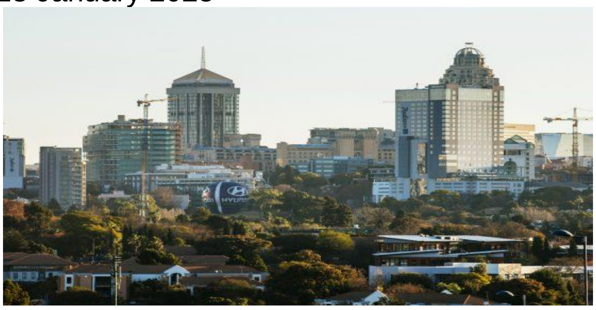
Clearly the 'government' and industry have different goals in mind, with the economy being the loser.
We have about R60mn in AMSA.

Synopsis

SA's Reits – how they did in 2024 and the outlook now

REIT – real estate investment trust

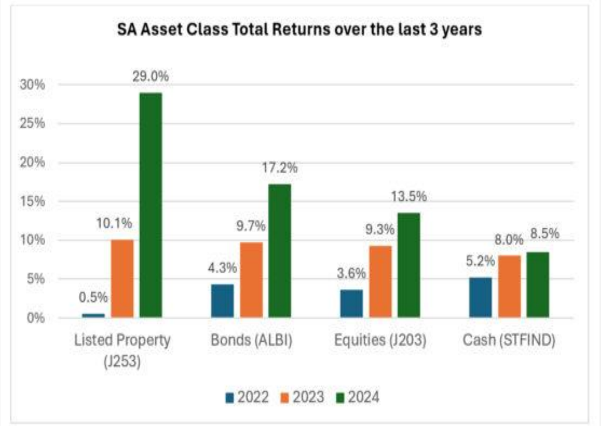
Moneyweb
By Keillen Ndlovu
23 January 2025



The property sector has been boosted by recent interest rate cuts, and a stabilising office market, with most workers returning to offices. Image: Waldo Swiegers/Bloomberg

The SA listed property sector was again the best performing asset class last year. The SA listed property index (J253) achieved 29% total returns (income and capital) in 2024, a significant increase compared to 10,1% in 2023. This was ahead of bonds (Albi), the second best performing asset class, for the second year running, with returns of 17% and 9,7% respectively over the same periods.

SA listed property vs other asset classes



Source: Keillen Ndlovu Research, Bloomberg, Reuters

It's important to highlight that SA listed property returns have recovered off a low base after being negatively impacted by the pandemic, higher interest rates, and load shedding. Listed property was the worst performer in 2022, with a 0,5% return.

In comparison, according to data from Sentio Capital, global property, as measured by the S&P Global Property Index, achieved -18,2%/2022, 18,7%/2023, and 6,6%/2024, in rand terms.

2024 SA listed property index trends

The property sector has been boosted by the recent interest rate cuts, good performance from the retail and industrial sectors, and a stabilising office market, which has seen vacancies fall, with most workers returning to offices three to four days a week after working at home. Institutional funds and generalists increased their interest in listed property during 2024. Alex Forbes's data shows that listed property exposure in balanced/multi-asset funds increased from 2,8% in 2023 to 3,5% in 2024.

Given that listed property outperformed other assets, market movement also helped increase listed property weighting in portfolios.

Capital raised in 2024 amounted to about R13bn

In addition to increased listed property allocation, the sector raised about R13bn from South African-based investors in 2024, compared to about R8bn in 2023. This was achieved through accelerated book builds, scrip dividends, dividend reinvestment alternatives and rights offers.

The sector began to see an improved earnings outlook in the second half of 2024. Most Reits and property companies that delivered negative earnings growth in 2024 provided a marginally positive earnings growth outlook for 2025.

Sector overview
We are likely to see an improvement across all the sectors.

- **Industrial:** The industrial sector, a perennial outperformer, is still predicted to do well. It is mainly warehousing and logistics/distribution (not manufacturing nowadays) and linked to the retail sector.

- **Retail:** Lower interest rates will help boost consumer spending and the retail sector in general. Township and rural retail are likely to continue trading better. This market segment has a big informal economy and benefits from government aid, such as social grants.

- **Office:** The office market is likely to see vacancies stabilise and improve. However, rental growth will only happen after a meaningful decline in vacancies. This will depend on the grade of properties as well as the location.

- **Location of office properties:** The Cape Town office market has been strong. Since the pandemic, Cape Town offices have benefitted from strong growth in the Western Cape region, driven by semigration, tourism, and strong demand for space to set up call centres/business process outsourcing operations from global companies.

- **Residential:** Though very small in the listed property sector with most rental assets largely unlisted, the residential sector will likely remain resilient, with very low vacancies and arrears as demand exceeds supply. The ability to absorb rent and utility increases remains an issue, but this could improve if the economy picks up.

Offshore diversification – mainly in Iberia (Spain and Portugal) and Central and Eastern Europe (CEE)

- **Iberia:** Lighthouse has 77% of its retail portfolio in Ibeira with a balance of 23% in France. Vukile's retail portfolio is split into 59% Spain and 41% South Africa. Both Lighthouse and Vukile are working on more acquisitions in the Iberian markets.

- **CEE:** Despite concerns about the Russian and Ukrainian war, Central and Eastern Europe has continued to do well. This region can be accessed mainly through Nepi and MAS and domestic counters like Hyprop, Redefine, Emira Fortress, Growthpoint and Burstone.

UK, US and Australia exposure on the JSE
Other offshore regions on the JSE include the US, Australia, and the UK. The US accounts for 15% of Emira's assets, and Australia accounts for 25% of Growthpoint's assets. Stor-Age and Equites have 63% and 20% exposure to the UK, respectively.

Sirius Real Estate, Hammerson, Shaftesbury Capital and Schroder European Reit have primary listings on the London Stock Exchange (LSE) and secondary listings on the JSE.

After the Primary Health Properties listing in late 2023, the JSE experienced further listings in 2024, with new additions being Assura and Supermarket Reit. They all have primary listings on the LSE. However, not all secondary listings on the JSE have been successful.

Shift away from the SA Listed Property Index (J253) to the All Property Index (J803)
Though the indices are highly correlated and have generally been about 1% apart in terms of returns, the market and fund managers are likely to fully shift away from the J253 to the J803 as the reference point.

The All Property Index (J203) delivered total returns of -1,9%/2022, 10,7%/2023, and 29,8%2024. The J803 has more stocks and includes secondary listings. It's likely to expand further and add more stocks this year.

Interest rates, balance sheets and bank covenants
Lower interest rates help improve interest cover ratios, earnings as debt starts to get renewed at lower interest rates and the financial health of the tenants and, therefore, the ability to pay rent and/or absorb any rental

increases, and a need for more space as business and cash flows improve.

Balance sheets are in good shape, with loan-to-value (LTV) ratios around 39% and interest cover ratios (ICR) at 2,3 times. Most Reits continue to aim to improve these ratios (by reducing the LTVs to below 39% and improving ICRs to above 2,3 times).

The days of paying out 100% of earnings are gone. Most Reits and companies have a payout ratio of 80% to 90%. The income retained is used to reduce debt and for capital expenditure.

Earnings growth, yields and valuations
Most Reits and property companies that delivered negative earnings growth in 2024 provided a positive outlook for 2025. Inflation-beating earnings growth on average is likely to happen later in 2025 and mostly in 2026 when the positive impact of lower interest rates will be fully felt.

Upside risks for the listed property sector

- Positive sentiment around the GNU continues and improved economic growth prospects;
- Further interest rate cuts resulting in lower cost of funding and extra disposable income;
- Withdrawals from the two-pot retirement system filtering into the economy;
- Fundamentals continue to improve across all sectors;
- Positive dividend growth attracting income-seeking investors; and
- Property weighting in indices increasing, resulting in balanced fund managers/generalists deciding to own some property stocks

Downside risk for the listed property sector

- GNU does not work out as expected, economic growth stalls and investor sentiment shifts back to offshore investments;
- Profit-taking and short-term volatility and uncertainty around the policies of the US President;
- Fewer than expected interest rate cuts;
- Municipal charges continue to increase at above-inflation levels;
- Water outages worsen, and load shedding resumes;
- Poor service delivery, decaying infrastructure, and crime, with landlords compelled to assist where possible, but at their own cost in most instances.

Comment

We have about R7,7bn in Nepi,
R7,7bn in Vukile,
R518mn in Lighthouse,
R1,4bn in Hyprop,
R410mn in Emira,
R6,7bn in Growthpoint,
R 3,8bn in Redefine,
R1,4bn in MAS,
R763mn in Sirius,
R8mn in Hammerson,
R961mn in Shaftesbury,
R723mn in Stor-Age.
We own about R17bn in real estate in SA.

Synopsis

UIF moves to take control of company

The Star
Thami Magubane
20 January 2025

In what The Star calls an unusual move, the UIF has sought to place directors of its choice in control of a private company to which it lent hundreds of millions of Rands in public funds. The matter came before the Gauteng High Court (Pretoria), with the UIF and PIC as the applicants and Patricia Johnson, Urban Lifestyle Investment Holdings (Pty) Ltd, and Homii Lifestyle (Pty) Ltd listed as the respondents.

The court in July last year granted an order in terms of which the UIF is entitled to exercise all voting rights attached to the shares held by Urban Lifestyle in Homii Lifestyle. It also ordered Johnson to convene a general meeting of the shareholders of Homii Lifestyle for the purpose of appointing new directors to the company. While the companies were granted leave to appeal against the order in the SCA, the UIF again turned to the High Court in a bid to implement the court order while the appeal is pending. In a judgment handed down by Judge N Davis last month, the court ordered that the July order would 'remain effective and enforceable despite the respondents' pending appeal to the SCA.'

According to the judgment, the UIF made the application to implement the order out of concern that the company might not be able to repay the loan. It said the company had already defaulted on its loan repayments and failed to provide the UIF access to its finances.

The Star reports the judgment established that a pending appeal suspends the operation of a court order appealed against. However, it said a court may order otherwise if there are exceptional circumstances or irreparable harm for the applicants, and these two conditions were met. 'Despite leave to appeal having been granted, it is on tenuous and highly technical grounds and detracts nothing from the undisputed indebtedness and default of the respondents,' the judgment stated.

Comment

Debatable if placing its own directors in the company will improve matters, with sinecure one of the possibilities. However, the litigation is a good indication of the willingness of the UIF and PIC to improve ROI and secure its investments. Looking forward to the PIC/GEPF doing the same.
Note the reference to public funds in the first sentence.

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 AR that our Fund is in a superb condition. The AMAGP newsletters, annual reports and press releases tell a different story.

Member totals: Government Employees Pension Info (Fb) has about 78 000 members, GEPF WATCHDOG (Fb) about 52 000 members and AMAGP 8 000 members. The total is about 138 000. 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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