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

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GEPF Watchdog - Waghond

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NEWSLETTER NO 5 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 April 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 beneficiaries, 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

Dear reader, AMAGP was established and is managed by pensioners for the advantage of pensioners, beneficiaries and members. The management are all volunteers and are unpaid. If you volunteer your services and time on the same basis, it would greatly assist in promoting the long-term viability of your pension fund.
If there is any comment or questions as to what AMAGP does for you, I refer the question back to you: what are you doing to ensure the viability of your fund, be you a member, beneficiary or pensioner.

The dire news emanating from the USA has a direct impact on our Fund's investments. The drop in the value of investments will probably be reported on in the 2025 GEPF AR as a reason for low ROI, although the impact only started in April 2025, after the final date for the 2025 GEPF AR. It will possibly also be the reason for an unacceptably low annual pension increase next year. It will also feature prominently in the 2026 GEPF AR.

The 2024 GEPF AR
Keep in mind the contents of the AR were relevant at 31 March 2024, while the report was submitted to parliament in November 2024. Detail already at least 8 months old at that submission date.

Now for news from the media

Media statement by AMAGP about the annual pension increase. The increase, which I'm sure you, dear pensioner reader, don't agree with.

Then another communique from AMAGP, asking you the member, beneficiary and pensioner, to stand up and be counted to protect and safeguard your Fund from abuse and looting.

Good news about and from Naspers, a positive in the depressing SA economy.

Some sage advice about withdrawing from your pension fund. All might not be as it seems.

Advice from Moneyweb about not withdrawing from your pension.

The options to retire or resign. There are advantages and disadvantages to both. Get good financial advice before deciding.

Pristine Wealth provides a brief but clear analysis of the PIC. Good reading indeed.

The UDM's leader, Bantu Holomisa, won a case in court brought by PIC investment brokers.

SCOPA is insisting on explanations from the PIC on its activities. A further meeting has been scheduled.

Lastly, an article by IOL about the PIC and IOL's view of its functioning. Truly terrifying to read and see what its perception of the PIC is. And, even worse, it might be true.

NEWSNUUSNEWS

Synopsis

MEDIA STATEMENT FROM THE OFFICE OF THE CHAIRPERSON OF THE AMAGP MR ALBERT VAN DRIEL

Poor understanding of its own Law and Rules results in poor pension increase for GEPF pensioners.

Early in 2025 the GEPF announced a 2,9% increase, effective as from 1 April 2025 in the pensions of state pensioners, 'based on the 2,9% inflation rate for the 12 months ending 30 November 2024. This represents 100% of the November 2024 year-on-year Consumer Price Index (CPI), exceeding the 75% of November year-on-year CPI base increase required by the GEP Law and Rules'

Unfortunately, the process of determination and calculation of this 2,9% increase stands in violation of both the Government Employee Pension Law and the GEPF rules to the detriment of state pensioners.

The GEP Law (Sec 25) assigns the sole responsibility of authorizing the annual increases to the GEPF BOT and nobody else. This is part of the Board's fiduciary duty towards the Fund, and nobody may intrude on this duty. The Fund, however, allowed the Minister of Finance the opportunity to comment on this increase.

The Board of Trustees, in allowing the Minster the opportunity to comment, as well as the Minister in using this opportunity, stand in breach of the Board's fiduciary duty towards the Fund and the best interests of state pensioners.

This political interference by the Minister alone renders the process of determination and calculation of the 2,9% increase irregular.

The GEPF also incorrectly calculated the 2025 pension increase by considering only the CPI of the month November 2024 i.e. 2,9%. It should have used the 12-month period of December 2023 to November 2024 with that CPI being 4,5%. GEPF pensioners thus are severely prejudiced. This is based on Rule 23.2.1 which reads: 'a basic increase at a rate of at least 75% of the average percentage increase in the Consumer Price Index (All Items) over a period of twelve months (1 December to 30 November of the previous year)'

The GEPF claims in its statement that the increase represents 100% of the November 2024 year-on-year Consumer Price Index (CPI) State pensioners thus were prejudiced by the difference between 4,5% and 2,9% being 1,6%.

Fortunately, the GEP Law sect 25.4 read with GEPF rule 23.2.2 provides for a procedure to rectify above via a supplementary increase (the Law sect 25.4, the only time when the Minister of Finance may become involved) or an additional increase (rule 23.2.2).

AMAGP thus call on the Chairperson of the GEPF Board of Trustees and the Minister of Finance to urgently rectify above situation and grant a supplementary and or additional increase determined in line with the prescribes of the GEP Law and rules.

Comment

A reasonable request from the AMAGP. Note especially the political control over what should be independent.

Synopsis

2025-03-21

CALL TO MOBILISE IN DEFENCE AND PROTECTION OF OUR PENSION FUND

Dear members

We have serious concerns about the integrity of the management of our State Pension Fund by both the GEPF (which as legal entity 'owns' our pension fund) and the PIC, which is the investment agency used by the GEPF to manage and execute the investment process of the pension funds. This negatively affects the long-term sustainability of our pension fund to the detriment of both existing state employees and state pensioners.

In 2018 the President appointed a judicial commission of inquiry into the PIC chaired by retired Judge President Mpati. The Commission published its recommendations in 2022. This report exposed inappropriate investments of about R35bn which were at severe risk or had to be written off. No comprehensive report was ever published which gave detail of the implementation of or consequence management flowing from the Commission's recommendations.

We have seen continued calls to dip into our GEPF to fund the NHI, Eskom or Transnet, the most recent call was to plug the hole in the national budget to the tune of R60bn.

The key structural defect that gives rise to the above is the legislation that legitimises political control over the Fund. This manifests inter alia in that the policy of the Fund's investments is subject to approval by the Minister of Finance. The sustainability of the Fund will only be secured when the Fund rids itself from this political control, if need be, by litigation.

This communique is not intended to sow fear amongst our GEPF members but to present you with the reality.

Is your pension safe?

AMAGP is the only organisation that voices the concerns of state pensioners and employees about this political control and that proposes a realistic solution to this. The one key factor that will ensure the sustainability of the GEPF is to rid the fund of political control. However, we can only be as strong as our support and our membership.

WE ARE THE BENEFICIARIES OF OUR PENSION FUND, and we have the right to expect the GEPF and the PIC to manage and invest OUR money in a responsible and profitable way, free from political interference and to the advantage of members and pensioners.

AMAGP actively encourages GEPF members not to leave the Fund, because it still is one of the best pension funds in the RSA. BUT we as members and beneficiaries of the Fund have the duty to protect and safeguard it from abuse and looting.

An urgent appeal is hereby made to our colleagues to please join our mobilisation campaign by joining AMAGP and setting up local structures in your respective provinces.
Enquiries can be directed to:

National level:
Brig. (Ret) Zirk Gous – 084 512 5104
Mass Mobilisation:
Brig. (Ret) Strini Govender – 082 778 9628

Comment

The preservation and safeguarding of your Fund rests with YOU. If you believe all is in order and safe you are definitely not aware of the continuous attempts of 'government' to misuse your pension. Of the more than 1 million members and more than 500 000 pensioners only about 60 000 really care enough about their pension to be members of AMAGP.

Synopsis

How much you would have if you invested R1 000 in South Africa's biggest company in 2005

BusinessTech
Luke Fraser
23 March 2025

Naspers has seen massive growth over the last twenty years, with R1 000 invested in 2005 now worth over R66 000. The century-old company has transformed from a publisher to a global technology giant with a large presence in South Africa, China and Europe.

The group started as Nasionale Pers (which would become Naspers). It would go on to become the largest publisher in South Africa throughout the twentieth century, with several publications, such as Huisgenoot, still in circulation.

The company would change course in the 1980s after it purchased pay-TV service M-Net, which has now become MultiChoice. It was listed on the JSE in 1994.

Naspers concluded a massive deal in 2001 to acquire a 46,5% stake in Chinese tech company Tencent for $32mn. Tencent grew into a technology juggernaut and is now worth R11trn, and much of Naspers's value is tied to its stake in Tencent.

However, Naspers still plays a major role in the South African tech space. It owns Takealot, Mr D, AutoTrader, Property24, and PayU. It also owns Media24, which includes News24. In 2019 Nasper's ownership structure also changed dramatically. It listed its international assets on Euronext Amsterdam via Prosus.

Naspers is the majority owner of Prosus, while Prosus owns 49% of Naspers via a cross-ownership structure. With Prosus holding the group's Tencent stake, it has a market cap of R2,2trn. Naspers has a market cap of R872bn, making it South Africa's largest company by value.

Share price

Naspers' share price has seen massive growth over the last two decades, rising from R73,69 per share to R4 904,93 on 18 March 2025. This marks an increase of 6 556% per share. This means that if you invested R1 000 in 2005, your investment would now be worth R66 561,67, a remarkable return.

Regarding valuation, Naspers appears to be reasonably valued. The group's price-to-earnings (PE) ratio stands at about 14. For the half year ending September 2024, the company reported a 74% increase in core headline earnings to $1,5bn.

The group recently announcing the plan to acquire Dutch food delivery company Just Eat Takeaway.com. Prosus' affiliate MIH Bidco has entered into a conditional agreement to purchase Just Eat Takewaway.com. The deal is worth roughly R80bn.

Just Eat Takewaway.com operates in the UK, Germany and the Netherlands, where it is profitable and cash-generative. The group believes that there is considerable growth potential.

Prosus also plans to list several of its Indian businesses after the successful IPO of Swiggy, another food delivery business.

However, like all investments, there are risks to Naspers. Tencent was designated as a Chinese military company by the US government earlier this year. This could potentially lead to sanctions.

Naspers share price:

Comment

We have about R136,6bn in Naspers. Good investment and good ROI.

Synopsis

Why withdrawing your pension from the GEPF could be your worst financial decision

The GEPF's defined benefit structure offers a level of security and predictability that is hard to find elsewhere.

Moneyweb

25 March 2025

By Martin de Kock - Ascor® Independent Wealth Managers

Image: Moneyweb

Withdrawing your pension from the GEPF may seem like a tempting option, especially if you are facing immediate financial challenges. However, making this decision can have long-term implications that can significantly affect your financial future.

It is important to understand the different types of pension plans.

Defined benefit pension

A defined benefit pension plan guarantees a specific payout upon retirement, based on factors like salary and years of service. The GEPF operates as a defined benefit scheme, meaning your retirement benefits are predetermined and not dependent on investment returns. This arrangement offers stability and predictability, allowing you to plan your retirement with greater confidence.

Defined Contribution Pension

In contrast, a defined contribution pension plan does not guarantee a specific retirement benefit. Instead, both the employee and employer contribute a certain amount to an individual account, which is then invested. The retirement benefit depends on the performance of these investments. As a result, the final payout can vary significantly, making it less predictable.

The GEPF pension calculation formula

The GEPF uses a specific formula to calculate pension benefits, which follows this structure:

Pension = Average salary × years of service × pension factor*

* The pension factor depends on the choice exercised by the employee relating to the spouse benefit at the death of the employee (pensioner).

Key components of the formula

- **Average salary**: This is typically calculated based on your average earnings over the last two years of your service.
- **Years of service**: This refers to the total number of years you have contributed to the pension fund.
- **Pension factor**: This is a predetermined percentage that varies depending on your years of service and specific rules set by the GEPF.

This formula illustrates the predictability and stability of the benefits you can expect from the GEPF, which is one of the key advantages of defined benefit pensions.

The risks of withdrawing your pension

- **Loss of guaranteed income**: Withdrawing your pension means losing the guaranteed income that comes with a defined benefit plan. The GEPF offers a level of security that is hard to replicate in other investment vehicles.

- **Withdrawal rate**: It is extremely unlikely that an advisor can invest the retirement capital withdrawn in an investment vehicle that can provide the same level of income that the GEPF pension provides during retirement. To achieve the required growth necessary to keep up with the income required may imply that unnecessary investment risk needs to be taken that could jeopardise your retirement capital.

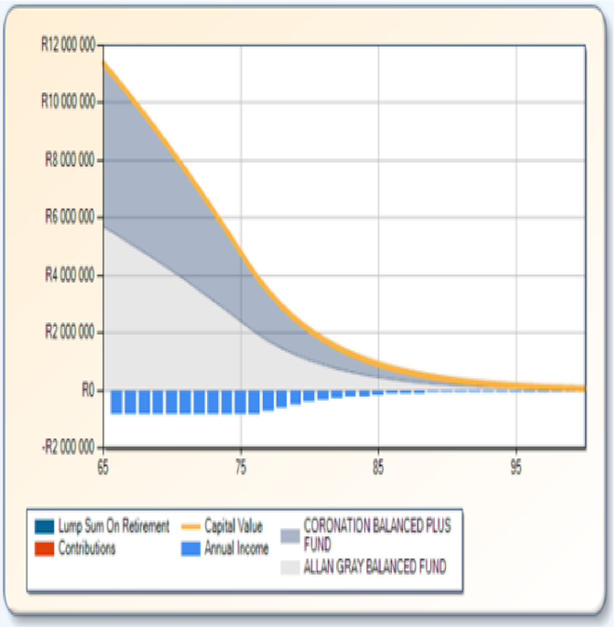
- **Legislated withdrawal limit**: To reduce the effect of tax, the pension needs to be transferred to a retirement product, e.g., a living annuity. The withdrawal rates from a living annuity per legislation are 2,5% to 17,5%. Thus, once the withdrawal rate reaches the maximum rate of 17,5%, the annual or monthly income will start decreasing annually.

Example (actual estimate of benefits from GEPF for an employee)
Average salary: **R1 066 025**
Years of service **45**
Pension Factor **1/55**

Pension = R1 066 025 × 45 × 1/55 = R872 202 per year (R72 683,52 per month)

Below is a forecast illustrating the possible outcome if the resignation benefit of **R11 378 142** was transferred to a living annuity on an investment platform using a 50/50 split between Allan Gray Balanced Fund and Coronation Balanced Plus Fund (a multi-asset proxy for investment).

From the graph below, it is evident that at about 76 (11 years into retirement), the maximum legislated withdrawal rate of **17,5%** on a living annuity is reached. After this point, the annual income starts decreasing as the growth of the underlying funds cannot sustain the required annual income.



Source: The author

The long-term consequences
You lose the peace of mind that comes with knowing you have a steady income source for your retirement years. Given the unpredictability of life and the economy, having a defined benefit pension can provide a cushion against unforeseen financial difficulties.

Conclusion
Withdrawing your pension from the GEPF might seem like a quick fix to a pressing financial issue, but it can lead to long-term consequences that may jeopardise your financial stability. The GEPF's defined benefit structure offers a level of security and predictability that is hard to find elsewhere.

Understanding the implications of this decision, along with the pension calculation formula and the types of pension plans can help you make a more informed choice. It is essential to weigh the immediate benefits against the potential long-term repercussions and seek professional financial advice from a qualified certified financial planner.

Comment

Good advice. I know there are many reasons for indeed withdrawing some of your pension, it remains your pension and your future.

Synopsis

Retirement Planning for South African Government Employees: Why Resignation May Be the Better Option

By Pristine Wealth

For South African government employees, planning for retirement is a crucial decision that impacts financial security and long-term well-being. The GEPF offers two primary options when exiting employment: **Option 1 – Retirement** and **Option 2 – Resignation**. While retirement might seem like the traditional choice, many employees are realising that resigning instead of retiring can offer significant financial advantages.

Understanding the Two Options

Option 1: Retirement

- When a government employee retires, they receive a lump sum gratuity and a lifelong monthly pension from the GEPF.
- The lump sum is based on years of service and final salary, while the monthly pension is calculated using a formula that factors in age and pensionable years of service.
- Pension payments are taxable and cease upon the pensioner's passing, with limited benefits for dependents.

Option 2: Resignation (Transfer Benefit)

- The resignation benefit is a lump sum calculated according to a fixed formula using your final salary, actuarial factors and years of service.
- Resigning allows employees to either
  a) withdraw their full pension savings as a lump sum, OR to
  b) transfer it to an approved retirement fund.
- One advantage of this option is that you do not pay tax on your resignation payout when it is transferred straight into an approved retirement Fund.
- This option provides full control over retirement funds, allowing for personal financial management and wealth-building strategies.

Resignation Over Retirement

1. **Control Over Your Money**
   When you resign, you have the flexibility to manage your pension funds according to your own financial goals. You can reinvest in high-return opportunities, such as unit trusts or discretionary managed share portfolios

2. **Potential Returns**
   The GEPF provides a fixed pension, but market-driven investment options often yield better long-term growth. By moving your funds into a diversified investment portfolio, you could achieve significantly higher returns over time.

3. **Wealth Preservation and Inheritance Benefits**
   With resignation, you can transfer your pension savings into a personal pension investment vehicle, ensuring that your wealth is preserved for your family. Unlike the GEPF pension, which stops when you and your spouse pass away, privately managed investments can be inherited by your beneficiaries.

4. **Tax Efficiency**
   While pension payments are taxed as regular income, a resignation lump sum can be structured more efficiently. Transferring the funds into a pension preservation fund or a retirement annuity defers tax liabilities and provides tax-free growth until retirement withdrawals begin.

5. **Flexibility in Retirement Planning**
   Instead of being locked into a fixed government pension, resignation allows you to decide how and when to draw income from your retirement savings, adjusting withdrawals according to your financial needs.

Retiring Through the GEPF

1. **Limited Growth Potential**
   The pension provided by the GEPF does not benefit from high market growth rates, meaning retirees may miss out on better returns available through private investments.

2. **Pension Stops Upon Death**
   The GEPF pension is not fully inheritable. Upon the pensioner's passing after 5 years into being a state pensioner, only a reduced percentage of the monthly pension income continues to a spouse, and after their passing, payments cease entirely. This leaves no financial legacy for children or dependents. (The amount of the spouse's pension would be 50% or 75% of the pension you were receiving when you died. The percentage will depend on the option you chose when you retired)

3. **Inflation Risk**
   While GEPF pensions increase periodically, they may not always keep pace with inflation, eroding purchasing power over time. According to the Fund rules, this increase must be at least 75% of the year-on-year increase in the Consumer Price Index

4. **Lack of Financial Flexibility**
   Once retired, a government employee is locked into a fixed pension structure, with no ability to access lump sums for emergencies or investments.

Making the Right Choice

Every government employee's financial situation is unique, and choosing between retirement and resignation requires careful consideration. While resignation offers more control, flexibility, and potential for growth, it also requires disciplined financial management. Consulting with an independent financial advisor can help ensure that your pension withdrawal is structured optimally for long-term wealth and security.

If you are a South African government employee nearing retirement, it is crucial to weigh your options carefully. Resigning rather than retiring may open the door to greater financial independence and a lasting legacy for your family.

It's important to weigh all options and understand the full financial picture before making any decisions. Consulting a retirement planning expert can help guide you through this process. We are here to guide you in making a well researched decision, based on actual calculations.

Comment

Take note. There are advantages and disadvantages to both options. Consult several retirement advisors to determine what option would be your best one.
It is your pension, plan properly.

Synopsis

PIC Questionable Investments: A Deep Dive into the Controversy

By Pristine Wealth

In recent years, the PIC has been at the centre of several controversial investments that have raised questions about the management of public funds and the corporation's transparency.

The Role of the PIC

The PIC plays a crucial role in managing government pension funds, including the GEPF and the UIF. As a public institution, it is tasked with investing these funds responsibly to ensure the financial well-being of its beneficiaries. However, its investment decisions have faced increased scrutiny in light of several questionable deals that have raised concerns about governance and financial stewardship.

Controversial Investments

1. The Ayo Technology Solutions Investment

One of the most high-profile investments made by the PIC was in Ayo Technology Solutions, a small IT company. The PIC invested R4,3bn in

Ayo in 2017, but the deal soon raised eyebrows. The company's valuation was called into question, as there were concerns about the inflated price at which the PIC purchased shares. Critics argued that the company was not worth the price, and the investment was made despite warnings from independent experts.

The deal was further complicated by the involvement of powerful political figures and questions regarding the PIC's due diligence process. An investigation by the Public Protector found that the investment was made without following proper processes, leading to a loss of confidence in the PIC's governance.

2. The VBS Mutual Bank Debacle

The collapse of VBS Mutual Bank in 2018 was another scandal that involved the PIC. The bank, which had been a significant player in SA's financial sector, became embroiled in a massive fraud scandal, and it was discovered that the PIC had invested heavily in VBS prior to its downfall. The PIC had invested more than R1,5bn in VBS, a decision that has been criticised for a lack of thorough investigation into the bank's financial health.

VBS's subsequent collapse cost investors, including the PIC, significant amounts of money. The investment raised questions about the quality of the PIC's risk management and the corporation's accountability to the public.

3. Steinhoff International

Another problematic investment was in Steinhoff International, a retail giant whose massive accounting scandal rocked the global financial community in 2017. The PIC was one of the largest institutional investors in Steinhoff, and the corporation's involvement in the company's stock purchase has faced scrutiny. After Steinhoff's accounting irregularities came to light, the PIC's investment in the company suffered heavy losses. This failure highlighted the risks of poor financial oversight and raised questions about how such high-profile investments were approved.

The Zondo Commission

The Zondo Commission of Inquiry into State Capture has also shed light on questionable PIC investments. The Commission revealed how political interference and corruption led to poor investment decisions, with some funds being channelled into projects with little to no return. Several former PIC executives have been implicated in facilitating deals that were not in the best interests of pensioners. This has raised concerns about the extent of political influence over the PIC's investment strategies.

Accountability and Governance Issues

At the heart of the controversy surrounding the PIC is the issue of governance. Many critics argue that the corporation's internal controls and decision-making processes have been compromised by political influence and a lack of transparency. In several instances, there have been allegations of Board members and senior executives prioritizing political or personal interests over the fiduciary responsibilities to the pensioners whose funds they manage.

A key issue has been the lack of adequate due diligence before making high-risk investments. While the PIC is entrusted with managing billions of rands, the lack of careful scrutiny of investments, as seen in the cases of Ayo, VBS, and Steinhoff, led to significant losses.

Efforts to Address the Issues

In response to these concerns, there have been calls for significant reforms within the PIC. In 2019, the PIC announced a series of internal changes aimed at improving its governance and investment processes. New leadership and the implementation of stricter policies for decision-making were seen as steps toward regaining public trust. Additionally, there have been efforts to increase transparency, with greater scrutiny of investment decisions and the involvement of external auditors in overseeing the corporation's activities.

Conclusion

The controversy surrounding the PIC's questionable investments has highlighted broader issues of governance, accountability, and financial management within state-owned entities. While the PIC continues to manage a significant portion of South Africa's public funds, the lessons learned from these problematic investments emphasise the need for robust oversight, transparency, and accountability in public sector institutions.

As South Africa continues to recover from the fallout of these financial scandals, it is crucial that reforms are not only implemented but also rigorously enforced to ensure that the PIC serves its primary purpose: safeguarding the financial interests of the people it is meant to serve

Comment

Alas, the PIC remains shrouded in mystery, contrary to statements of transparency. It also remains controversial owing to bizarre investments, touted political control, non-performing unlisted investments, etc.
The media loves to call it public funds, which the 'government' would like it to be.

Synopsis

SCA sides with Holomisa in R2m defamation case

The Citizen
By Eric Mthobeli Naki
1 April 2025

In a David versus Goliath battle in the courts, the United Democratic Movement (UDM) and its leader, Bantu Holomisa, won the first round against a BEE giant, Lebashe Investment Group, and others, in the Supreme Court of Appeal (SCA).

This after the appeal by Lebashe Investment Group, Harith General Partners, Harith Fund Managers and the companies' directors was struck from the roll and they were ordered to pay the costs of the appeal application.

Origins of the dispute
The matter is a sequel to an open letter Holomisa, on behalf of the UDM, wrote to President Cyril Ramaphosa on 26 June 2018, asking him to institute an investigation into allegations of fraud and corruption at the PIC against the directors. Further, 1 July 2018, Holomisa posted on then Twitter (now known as X) where he accused the directors of being "hyenas".

They argued the plea was impermissible and contents of the PIC report could not be relied upon to determine the meaning of the published material. The directors then took exception and sued the UDM and Holomisa for defamation, claiming R2mn in damages and injury caused on 15 August 2018.

They said the statements in the letter "were intended and understood by an ordinary reader of a reasonable intelligence to suggest that the appellants were deeply involved in long-standing and escalating corruption scheme".

Whistleblower claims and political oversight defence
The court heard that the corrupt scheme allegedly implicated then PIC CEO and Moleketi, who was nonexecutive director of Lebashe and chair of Harith General Partners and Harith Fund Managers. It was allegedly involved an unlawful depletion of billions of rand from the PIC.

In their court argument, Holomisa and UDM denied their published material was inherently defamatory and published wrongly or with intent to injure them. Instead, the letter only highlighted allegations of misconduct brought forward by a whistle-blower. They said as the party and an MP, it was their [oversight] duty to ask the president to initiate an investigation.

It is alleged in court papers that Moleketi, while serving as Deputy Minister of Finance and PIC chair, allegedly violated the constitution by approving transactions that benefited Lebashe, Harith General Partners and Harith Fund Managers, despite being a director and chair of these companies at the time.

In their defence, Holomisa and UDM also pleaded that any person who is involved in corruption is metaphorically called a hyena.

Holomisa's letter to Ramaphosa resulted in the establishment of the PIC commission. The report concluded that "there are clear instances where the commission found directors and employees benefited unduly from the positions of trust that they held".

SCA upholds High Court's decision
The High Court in Johannesburg admitted Holomisa and UDM's plea derived from the commission report, but the applicants took exception after the court found there was nothing improper about the plea and they appealed to the SCA.

On Friday, the SCA struck the matter off the roll with costs to the appellants. The court also said the appeal was premature as the matter remained unresolved and the appeal pre-empted the trial court's final decision.

Comment

Any such litigation takes a long time to prepare the evidence and process. Then court dates have to be determined.
This case has a direct bearing on the PIC, its investments and some of its brokers.
The PIC has about 39 investment brokers over and above the investments it manages inhouse. Costing us billions per year in commissions.

Synopsis

PIC under scrutiny as SCOPA demands answers on irregular expenditure

IOL
2 April 2025
by Banele Ginidza

The PIC's unlisted portfolio came up for scrutiny without wholly satisfying SCOPA, which has scheduled another date for a full report on entities that had raised red flags with the Auditor General (AG).

This is as the PIC appeared before SCOPA on Wednesday to report mainly on the investments the entity has made on behalf of the GEPF and the Compensation Fund to address the ongoing financial and governance failures within the Compensation Fund and the UIF.

The PIC CEO, Abel Sithole, outlined how the entity had improved its controls and monitoring systems, explaining that a lot of underperforming investments were prior to the entity implementing recommendations of the Mpati Commission of Inquiry, amongst which was the establishment of a credit committee.

Sithole said the entity's strategy of being a part investor and also making investments on the strength of market sentiment had been part of the undoing. "The credit committee came out of Mpati Commission, some of the difficulties come from that it was a new environment we were still learning," Sithole said.

Thabiso Mashikara, acting head of unlisted investments at the PIC, told the committee that the portfolio had at some stage been forced to underperform to comply with South African Reserve Bank (SARB) requirements.

"Relative to benchmarks, marginal underperformance from local equity building block, constraints on amount of financial institutions ownership we can hold, we were slightly over on banks and insurance," he said. "But we could not hold on to that because the requirements of the SARB limit us to 15% and so if Absa or Nedbank rallies as it happened in the 2022/223 year, we had to underperform because we do not want to be in the overweight position."

The PIC also exonerated itself from investment in entities that consequently employed foreign nationals as MPs wondered why it allowed local capital to undermine employment targets. "We invest broadly, we do not dictate who our partners employ. We cannot give preference or opinion of who the partners employ, we only get the information in the reports they provide for us and even then we are rarely a 100% shareholder to be able to state preferences," Sithole said.

Comment

Astounding that the PIC had to 'underperform' on insistence by the SARB! Can that be possible, especially on the unlisted investments? Implicit in this is incorrect unlisted investment in the first place and Absa and Nedbank are certainly not unlisted.
Note the political interference in 'employment targets'. And the correct PIC answer to that.

Synopsis

South Africa's most powerful corporation and its BEE drive

BusinessTech
Staf wrtier
2 April 2025

The PIC owns large stakes in most big South African companies, making it the country's most powerful organisation. The PIC is wholly owned by the government, with the Minister of Finance as shareholder representative.

The PIC's role is to grow and safeguard the assets entrusted to its care and explore avenues through which its investment interventions can benefit South Africa.

The most significant clients are the GEPF, the UIF, and the Associated Institutions Pension Fund (AIPF). It also serves the Compensation Commissioner Pension Fund and the Compensation Commissioner Fund.

As part of its mandate, it financed 64 935 houses, funded 41 farms, and invested R4,1bn in the transport and logistics sector. It further supported 3 353 small and medium-sized enterprises and funded 2,420 MW of renewable energy.

It is the largest asset manager in South Africa, with R2,693trn in assets under management. The GEPF accounts for 88% of the assets under management, and the UIF accounts for 6%. The rest is split between the Compensation Commissioner Fund, the Compensation Commissioner Pension Fund, the Associated Institutions Pension Fund, and other clients.

The PIC is a large shareholder in most big companies in South Africa, which makes it very influential in the local business arena. For example, the government can use the PIC to enforce its BEE policies.

The PIC stated that a minimum of 98% of its total brokerage fees were allocated to firms with a B-BBEE rating of levels one to three. It further said that 70% of its brokerage fees were allocated to firms that are 51% black-owned or 30% management-controlled by previously disadvantaged groups.

It said that it drives racial and gender transformation within its investee companies by way of proxy voting. This means that the PIC can vote on behalf of its beneficiaries as shareholders of the different companies it invests in.

The PIC's beneficiaries, the government employees, give their vote to the PIC, by way of a proxy, to vote on their behalf within the companies the PIC invests in. The PIC stated that it uses its voting power to appoint executive management that is racially and gender diverse within the companies it invests in.

The PIC implements this strategy by appointing board members in the various companies it invests in. These board members represent

Company	PIC/Government % Shareholding	PIC Rank
Vodacom	11.94%	2nd Largest Shareholder
MTN	19.44%	Largest Shareholder
Telkom	50.46%	Largest Shareholder
Naspers	16.04%	Largest Shareholder
Firstrand	16.10%	Largest Shareholder
Standard Bank	14.50%	2nd Largest Shareholder
Capitec Bank	15.56%	Largest Shareholder
Gold Fields	20.01%	Largest Shareholder
AngloGold Ashanti	14.89%	Largest Shareholder
Sanlam	14.80%	Largest Shareholder
Harmony Gold	12.34%	Largest Shareholder
Bid Corp	19.96%	Largest Shareholder
Shoprite	16.84%	Largest Shareholder
Discovery	12.87%	Largest Shareholder
Nedbank	15.88%	Largest Shareholder
Impala Platinum	17.56%	Largest Shareholder
Pepkor	15.15%	Largest Shareholder
Remgro	17.31%	Largest Shareholder
Bidvest Group	21.55%	Largest Shareholder
Clicks	20.14%	Largest Shareholder
Aspen	18.07%	Largest Shareholder
Mr Price	17.33%	Largest Shareholder
Sibanye Stillwater	15.05%	Largest Shareholder
Woolworths	15.05%	Largest Shareholder
Exxaro	15.05%	Largest Shareholder
ABSA	5.14%	Largest Shareholder
Growthpoint Properties	32.72%	Largest Shareholder
Dis-Chem	18.04%	2nd Largest Shareholder
Multichoice	11.83%	Largest Shareholder
Sasol	17.13%	Largest Shareholder
Investec	15.54%	Largest Shareholder
Mondi	9.94%	Largest Shareholder
Coronation	12.79%	Largest Shareholder

the PIC's beneficiaries and have voting rights equal to its investment in the company.

The larger the PIC's shareholding within the business, the more voting power the PIC-appointed directors have on various business issues. The PIC is incredibly influential within corporate South Africa and has the power to implement B-BBEE policies within the private sector.

The PIC is the largest shareholder in most companies listed on the Johannesburg Stock Exchange (JSE), with a listed SA equities holding of over R900bn. This means that the PIC has the greatest voting power within the largest companies in South Africa, and it uses this influence to implement its transformation goals.

The table shows some companies in which the PIC and, by extension, the South African government has immense influence.

Comment

This article is truly terrifying in its perception of who, actually, directs the GEPF's investments. Right from the second paragraph you can see that the author sees the PIC isn't there to provide ROI but to execute 'government' directives.
The source and history of the article's statistics isn't known.
[I see that government employees give their proxy to vote at shareholder meetings. Hmmm…]
The question we must ask ourselves, how far is this perception true? And who else shares these views? And to what extent is the lukewarm performance of the investments due to this very same 'government' direction?

THE GEPF WATCHDOG / WAGHOND FACEBOOK PAGE

Welcome to our page!!

Join AMAGP

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 BOT and the PIC, to manage and invest OUR money in a responsible and profitable way. To the advantages of members and pensioners! Not for any other reason!

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 serious 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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