



# INFORMUS

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FOR PSA MEMBERS: **GENERAL 2/2023**

20-01-2023

## Update: Allegations of GEPF insolvency

The PSA has been inundated with calls after a letter was circulated alleging “insolvency” and multi-billion rand claims against the portfolio of assets of the Government Employees Pension Fund (GEPF). This prompted the PSA to write to the GEPF and verify the information contained in the letter. A copy of the letter written to the GEPF and the response from the GEPF in a form of a media statement are *attached*.

The PSA will continue to monitor the situation and will continuously strive to protect the interests of members. In the interim, the PSA will seek advice on engaging the GEPF to ensure that the mandate of the PIC is strictly monitored to ensure that any investment does not place the Fund at risk.

The PSA will keep members updated.

GENERAL MANAGER

## MEDIA RELEASE

### Cautionary Note to all PIC clients and their beneficiaries

16 January 2023

**PRETORIA** – The Public Investment Corporation (PIC) has become aware of a highly contentious disinformation campaign (“Insolvency of the GEPF”) that seems to have found traction on some social media platforms regarding alleged multi-billion-rand legal claims against the portfolio of assets of the Government Employees Pension Fund (GEPF) that is managed by the PIC.

At the heart of the allegations is the assertion that an affiliate or subsidiary of Nedbank Limited – which itself was previously associated with Old Mutual – operating in the United Kingdom (UK), (said to be “Nedbank Private Wealth”), has been engaged in bad business practices in the UK and the United States of America (USA), which will give rise to the claimed financial liability. Nedbank Limited and Old Mutual refute these allegations.

The PIC, on behalf the GEPF, is an investor in the listed shares of Old Mutual Limited and Nedbank Limited. It is solely upon this fact that the PIC and the GEPF are connected to the allegations and the conclusions reached. Old Mutual and Nedbank are limited liability companies. Therefore, the PIC’s exposure, acting on behalf of the GEPF, to any claims against Old Mutual and Nedbank, assuming they are legitimate, is limited to their shareholding only. This is the case with all investments in companies with limited liability, globally.

Amongst the various incomprehensible allegations, is a claim in the amount of £158 billion against the GEPF and the assertion that all South African state pensions will cease to exist as a result of such a claim. There is simply no factual or legal basis for these assertions.

The PIC in response to these allegations, has committed to engaged any legitimate authority that has been enjoined to consider the matter.

Complaints detailing these allegations have been submitted to several regulatory and investigative bodies in South Africa, the UK and USA. As far as the PIC is aware, none of the regulatory and investigative bodies have confirmed the veracity of these allegations. The FSCA, after soliciting and obtaining information regarding the complaint, decided to close the matter. This indicates that there is no merit to these allegations.

The PIC does not know the motive behind these allegations. The PIC can only assure its clients and their beneficiaries, the public and other stakeholders that the allegations are false and that all its client assets are secure.

**ENDS.**

Issued by

**PIC Corporate Affairs**

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29 November 2022

The Acting General Manager  
Public Servants Association of South Africa  
563 Belvedere Street  
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Dear Mr. Reuben Maleka

Thank you for your correspondence received on 11 November 2022.

We have noted your concerns with respect to the way the Government Pensions Administration Agency (GPAA) and the South African Revenue Service (SARS) implemented the revised tax rates for those pensioners/ spouses/ beneficiaries with multiple sources of income. Prior to your communications we had engaged both GPAA and SARS on the matter and have subsequently implemented an engagement programme via the GPAA. We have further communicated your concerns to the GPAA who are busy engaging with the issues you raised.

Rest assured the GEPF is monitoring the situation and regularly engages the GPAA on any challenges identified. Corrective measures are being put in place and all opt out requests will be implemented retrospectively to the effective date.

Kind regards

Musa Mabesa  
Principal Executive Officer  
Government Employees Pension Fund

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