GEPF™

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Celebrating 30 years of serving those who serve

1996 - 2026

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1996 - 2026

CONTENTS

4 PRESIDENTIAL FOREWORD

8 FINANCE MINISTER'S FOREWORD

10 GEPF: EARLY YEARS

20 THE INVESTMENT JOURNEY AND IMPACT

30 ADMINISTRATIVE AND POLICY CHANGE

40 THE PEOPLE BEHIND THE GEPF

123 THE ROAD AHEAD





FOREWORD BY

PRESIDENT CYRIL RAMAPHOSA

It gives me great pleasure to celebrate the 30th anniversary of the Government Employees Pension Fund (GEPF). The GEPF is one of democratic South Africa's most technically complex, socially important and successful undertakings.

With the advent of democracy in 1994, the democratic government had to create an integrated, non-racial public service that would serve all South Africans. Among other things, this entailed the amalgamation of various civil service pension schemes, including those from the former homelands and self-governing territories.

The result is a fund that in 30 years has grown from R127 billion in assets to R3 trillion. This is equivalent to half the assets of the entire pension fund industry in South Africa. The GEPF is now the largest pension fund in Africa and among the top ten in the world.

Through the investment mandate that is held and executed by the Public Investment Corporation (PIC), the GEPF is one of the most important social and economic institutions that we have created and sustained.

Public servants dedicate most of their working lives to the service of the people of South Africa. They are teachers and nurses, police officers, correctional services officers, defence force members, administrators, managers and directors.

The GEPF is a crucial part of making the South African public service a compelling employment proposition. Our duty, as a society, is to help look after the welfare of public servants – and that

of their dependants – when they can no longer work or are no longer alive. The GEPF, by paying what it promised them as a defined benefit fund, helps fulfil that role. It is a noble undertaking, a promise fulfilled.

The 30th anniversary of the Fund comes at a very important time in South Africa's governance journey. The new Public Service Commission Act has just been signed into law. This is the latest in a series of laws to professionalise and improve the effectiveness of the public service. This process will, in the decades ahead, contribute to changes in the profile of the GEPF's membership and contributions. Our promise to look after them in retirement must not change.

The GEPF continues to make an essential contribution to the transformation of our economy. The GEPF, which through the PIC is an anchor investor on the Johannesburg Stock Exchange, has been a steadfast supporter and champion of transformation and empowerment in the companies in which it invests. It has funded broad-based black economic empowerment transactions and has voted at Board level to champion the participation of blacks, women, people with disabilities and other marginalised groups in the economy. As a country, we are grateful for this support and depend on its continuation.

The 30th anniversary of the GEPF is a tribute to excellence in leadership. We recognise the essential role of the finance ministers who led the creation of the Fund and its



> The GEPF, which through the PIC is an anchor investor on the JSE, has been a steadfast supporter and champion of transformation and empowerment.





successful growth: Chris Liebenberg, Trevor Manuel, Pravin Gordhan, Nhlanhla Nene, Malusi Gigaba, Tito Mboweni and Enoch Godongwana. We acknowledge the contributions of the various Chairpersons, Board members and Executives of both the GEPF and the PIC, who have together steered these key financial institutions over the past three decades. They have helped to make a difference in the lives not only of public servants and their dependants, but in the lives of all South Africans.

As we look forward to the next three decades, may the GEPF continue to grow, thrive and serve.



Mr Matamela Cyril Ramaphosa
President of the Republic of South Africa



A FUND BUILT FOR EVERY PUBLIC SERVANT

FINANCE MINISTER ENOCH GODONGWANA

The Government Employees Pension Fund (GEPF) is turning 30. It is almost as old as our democracy, and its story mirrors the broader story of the democratic state: the painstaking work of bringing together what apartheid had divided, and building institutions designed to serve all South Africans.

Established in May 1996 through Proclamation No. 21, the Fund was tasked with amalgamating the disparate pension funds of the apartheid-era public service and former homelands into a single fund for every public servant.

That same year, our country adopted the Constitution, establishing a progressive Bill of Rights that emphasised economic transformation and guaranteed core socioeconomic rights, while embarking on fiscal reforms that laid the groundwork for sustainable growth. From the outset, President Nelson Mandela's administration made it an imperative not only to preserve civil servants' retirement savings, but to build assets that would meaningfully transform our nation and continent.

Starting with a funding level of just 72% and R127 billion in assets, the GEPF has grown into a fully funded, globally recognised institution managing over R3 trillion for 1,2 million active members and more than 530 000 beneficiaries.

This growth was achieved through disciplined, patient investing across decades of shifting global landscapes. Long-term investors must heed the historical echoes between the world of 1996 and our current reality.

Reflecting on my appointment as Minister of Finance, my maiden budget speech in 2022 was immediately followed by conflict in Ukraine, unleashing extreme commodity volatility, oil spikes, and trade squeezes that upended key fiscal assumptions overnight.

> The GEPF stands as proof of what our democracy can build when it acts with foresight and integrity.

Financial shocks, trade disruptions, and geopolitical conflicts, from 2024 in the Middle East to current global tensions, have become recurring themes. Yet, just as the GEPF navigated the 2008 global financial crisis without missing a single pension payment, its long-term horizon and diversified portfolio continue to provide stability amidst uncertainty.

Looking to the next 30 years, we must ensure that the financial system serves the collective needs of the economy alongside the interests of savers and investors. True financial stability requires deep structural transformation. Sustainable economic growth relies on closing



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South Africa's substantial infrastructure gap, requiring over R1 trillion over the next few years. While retirement fund regulations permit expanded infrastructure allocations, the GEPF voluntarily invests in key local and continental projects on commercial terms, recognising that long-term savings and physical assets are a natural match. A growing economy creates jobs and savings, which in turn fuels the pension industry and generates capital to reinvest back into our society.

Integrity remains our bedrock. Following the Mpati Commission of Inquiry into the Public Investment Corporation, swift action was taken to overhaul leadership, tighten mandates, and strengthen oversight. I reassure our members that their benefits remain fully secure.

The GEPF stands as proof of what our democracy can achieve when guided by foresight. I congratulate the Board of Trustees, the GPAA, and the public servants whose savings make this legacy possible. May the next 30 years be as consequential as the first.

Mr Enoch Godongwana
Finance Minister
2026







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1st Row: Ms B Rankin, Mr D Bout, Mr T Maqhubela, Minister TA Manuel, Mr D Mabuyakhulu, Mr M Diphofa, Ms R Stewart
2nd Row: Mr P Mngconkola, Mr J Griesel, Mr A du Plessis, Mr V Petersen, Prof H Kock, Vice Admiral M Bekker, Mr J Andrew, Mr S Padayachee, Mr P Badal, Mr M Maritz
3rd Row: Mr L Wort, Mr G Moultrie, Mr F Nomvalo, Mr C Senoamadi, Mr L Ely
4th Row: Mr K Govender, Mr A Donaldson, Mr M Rothballer, Mr D Balt, Mr S Place, Brigadier General A de Wit, Mr H Koekemoer
Absent: Mr M Kuscus, Mr B Mashawana, Mr F Hugo



The Government Employees Pension Fund (GEPF) has evolved into more than just a custodian of pensions and post-retirement benefits for South Africa's civil service as it marks its 30th anniversary.

CHAPTER 1: THE EARLY YEARS

In its 30 years of existence, the GEPF has become the anchor institution of the South African pension funds and asset management; and the broader financial service industry. The GEPF currently has R3,27 trillion of assets under management for the 2026 financial year. This is 50% of the R5,8 trillion of assets under management by the pension funds industry.

Beyond this role, the GEPF has also become a significant investor in the Johannesburg Securities Exchange (JSE), through its mandate held and executed by the Public Investment Corporation (PIC) and now controls just over 10% of the JSE's market capitalisation.

The GEPF has helped shape the South African corporate governance landscape through its adoption and implementation of the King Code of Corporate Governance, as well as through board deliberations and votes on issues ranging from transformation and empowerment to Environmental, Social and Governance (ESG) principles; board and executive selection and remuneration.

The GEPF has also grown to be a key investor across the African continent through the PIC's Isibaya Fund and Pan African Infrastructure Development Fund (PAIDF), which help drive infrastructure development to support logistics, mining, agriculture and agro-processing, and energy projects across the African continent.

"The story of our nation's 20-year journey on the road of democracy is a broad, sweeping narrative of tribulation, triumph, and achievement," the Fund noted when marking South Africa's milestone of 20 years of democracy. "Within six years we had achieved major transformation of the landscape of governance and the composition of the public service to better represent the entire population."

The Fund further observed that South Africa had built institutions necessary for the understanding and implementation of constitutional democracy: The South African Reserve Bank and South African Revenue Service are listed as two examples, while a third and vitally important institution was the GEPF.

The Genesis

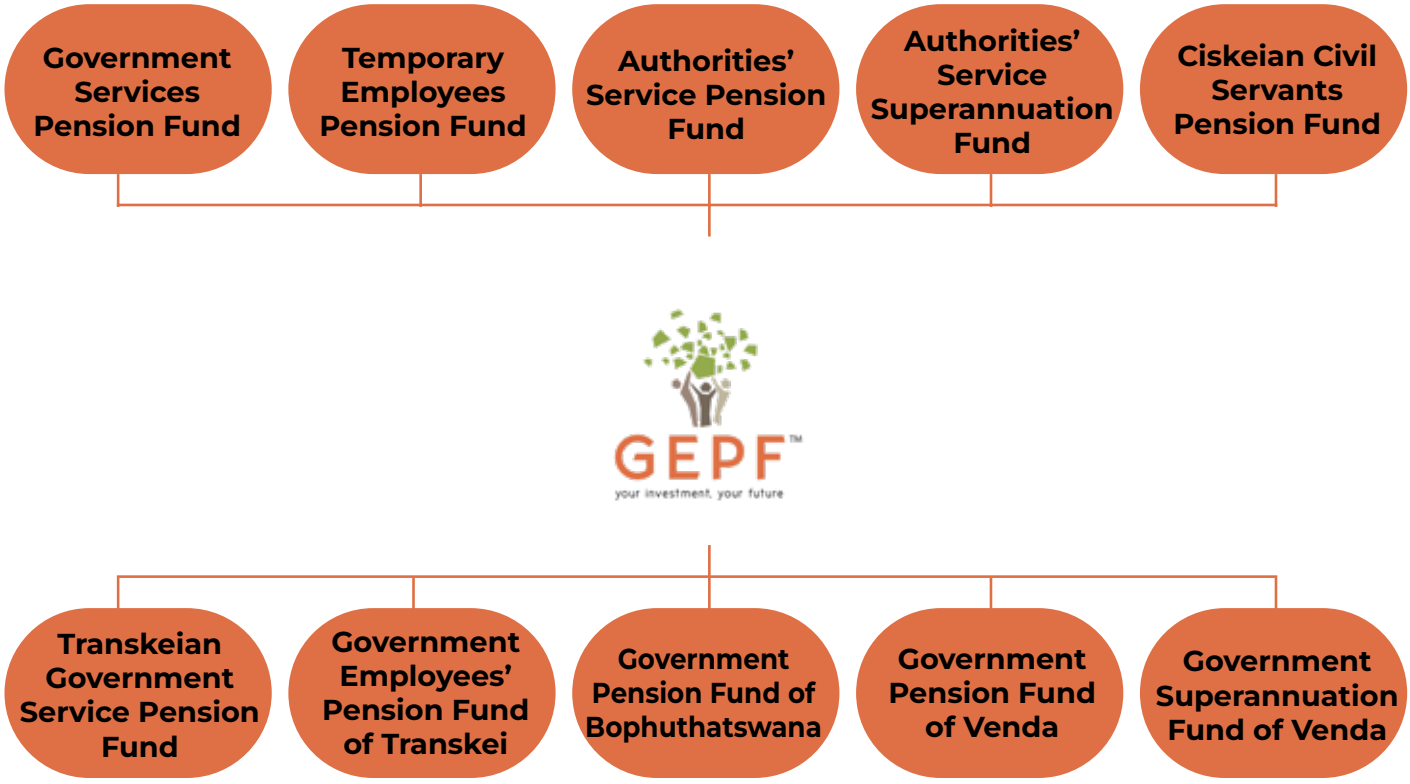
The establishment and subsequent evolution of the GEPF are intrinsically linked to South Africa's transition to a democratic state. The Public Service Act 1994 provided the legislative framework governing the recruitment and functioning of the public service, including the movement of employees across different parts of the civil service. This legislative framework also gave rise to structures such as the Public Service Commission. The formation of a unified South Africa was accompanied by the harmonisation of conditions of employment, including

retirement benefits, laying the foundation for the development of a more integrated public-sector retirement system.

The origins of the GEPF can be traced to the agreement that created the foundation of the Government of National Unity, led by South Africa's first democratically elected President, Nelson Rolihlahla Mandela. A key part of the agreement was to honour the employment contracts and all future retirement obligations of the existing civil service of the time.

Prior to 1996, owing to the country's history of segregation and exclusion, public sector pensions were fragmented, discriminatory, and administratively inefficient. The GEPF was established to address several key challenges starting with the harmonising and standardisation of pension benefits. Its initial task was to amalgamate these disparate, fragmented funds into a single, unified retirement fund for all state employees.

Apartheid-era retirement funds suffered from severe structural inequities. The benefits available were discriminatory and uneven, based on race, gender and rank of employment.
The post-Apartheid administration sought to deliver a unified benefit structure under a single set of non-discriminatory rules, guaranteeing identical defined-benefit formulas for all public servants, regardless of race, rank, or gender. Thus the GEPF was officially established in May 1996 through the promulgation of the Government Employees Pension (GEP) Law (Proclamation No. 21 of 1996). Parliament established the GEPF as an independent juristic entity, distinct from the state.
To this end, the following 10 government funds were amalgamated:



Starting with roughly R127 billion in assets in 1996, the GEPF now has assets under management of R3,27 trillion and has grown to 1,2 million active members and 599 238 pensioners and other beneficiaries.



HSBC

The amalgamated Fund initially had funding levels of 72%. The structural blueprint of the Fund was negotiated by Government in its capacity as the Employer and represented by the Department of Public Service and Administration (DPSA) and National Treasury. Public Sector Trade Unions were organised under the Public Service Coordinating Bargaining Council (PSCBC).

This co-determination model resulted in a 16-member Board of Trustees split equally: eight (8) employer representatives and eight (8) member/employee representatives comprising representatives of civil servants, security forces, and pensioners.

> The GEPF's establishment and subsequent evolution is intrinsically linked to South Africa's establishment as a democratic state.





V&A Waterfront

Historically, many state pension obligations were handled as "pay-as-you-go" liabilities or were chronically underfunded, backed only by general state tax revenue. Establishing the GEPF created a defined benefit scheme backed by dedicated investment assets, ensuring that public sector pensions were actuarily sound, sustainable, and capable of meeting future liabilities without overburdening the fiscus.

> Establishing the GEPF created a defined benefit scheme backed by dedicated investment assets.

Key Structural Evolution Since Inception

The architecture and design of the GEPF relied on a mixture of existing infrastructure and new institutional arrangements. The Investment Management function was handed to the Public Investment Corporation (PIC). The PIC was established in 1911, the year after South Africa became a union, as the Public Debt Commissioners to manage and pool South Africa's Debt and investing in bonds on behalf of the national government. From 1924 it managed debt on behalf of the four provinces and started lending to municipalities.

In 1984, the Public Debt Commissioners became the Public Investment Commissioners and managed a broader pool of funds and started investing public deposits in markets. The PIC currently invests on behalf of other government funds, most notably the Unemployment Insurance Fund (UIF) and Compensation Fund; but the GEPF accounts for 87,8% of the PIC's assets under management, collectively making up 10% of the JSE's market capitalisation.

In 2004, the PIC was corporatised through the promulgation of the PIC Act of 2004, later amended in 2019, to formally make it a state-owned entity and allow for investment across a broader range of asset classes including shares, bonds in other state-owned enterprises, and offshore listed equities.

A crucial change in 2005 was the establishment of the Isibaya Fund, which houses its unlisted investments. It has invested in some of South Africa's most important infrastructure projects and key unlisted companies. It is also through this fund that the GEPF has an opportunity to help advance transformation and Black Economic Empowerment – to bolster the inclusion of the marginalised in the economy, to help create jobs, and promote the growth of Small, Medium and Micro Enterprises (SMMEs).

Day-to-day member administration – including the management of contributions, the processing of retirements and the payment of death benefits – was transferred to a dedicated government agency, the Government Pensions Administration Agency (GPAA), which was officially established in 2010. This separated the benefits administration function from the GEPF's other responsibilities, in line with retirement-funding best practices.

Key Individuals

The GEPF's growth and resilience through periods of economic turbulence are ultimately a reflection of its commitment to the 1,8 million members it serves. Its effective functioning over the past 30 years is also a testament to the men and women whose dedication and hard work contributed to its establishment and the development of the oversight mechanisms that support it today. It also includes those who have served as trustees, as well as employees, leaders and other executives of the Fund itself, the GPAA and the PIC.

A few key individuals deserve particular recognition for the pivotal roles they played in the GEPF's establishment and growth over its first three decades. Among them is former Minister of Finance Trevor Manuel. Manuel took over the process in April 1996 from Chris Liebenberg, who had served as Minister of Finance in the Government of National Unity under President Nelson Mandela and succeeded Derek Keys in September 1994.

In the early years, Manuel served as the sole Trustee of the GEPF from its establishment in 1996 until June 2005, when the Fund's first Board of Trustees was appointed and inaugurated under the chairmanship of Martin Kuscus, another key architect of the GEPF's early development. Kuscus joined the GEPF after serving for 10 years as the Finance MEC of the North West province, before taking on the chairmanship of the Fund.

The appointment of a Board brought about a new era of member, pensioner, and stakeholder representation, participation and oversight, and saw the establishment of five permanent committees to oversee the strategic agenda of the Fund. Kuscus and the Board were supported by Maemili Ramataboe as Principal Executive Officer and Phenias Tjie, who was the Chief Executive Officer of the GPAA.

Kuscus left office in 2009, a year after the global financial crisis struck, and his parting gesture was to prepare the GEPF for a period of recovery from the crisis. He noted that "Trustees had the foresight to set aside substantial reserves for the market slowdown that would inevitably follow several successive years of buoyant growth. Specifically, we established a solvency reserve of R42 billion to counter market volatility between actuarial valuations, as well as a pension increase reserve of R57 billion. These reserves reflect the Board's philosophy of using

> One of the biggest challenges faced by any pension fund is how to look after the interests of its retired members and grow the investment pot of working members even through trying times of economic crisis.

the fruits produced in good times to make provision for the bad times."

Kuscus and his Board ensured that their successor Board from 2009 would "inherit a Fund that is financially sound and well managed and has responsible investment policies". That Board was chaired by former parliamentarian Arthur Moloto, who led it until 2014.

Another key figure to note is then Deputy Minister of Finance Mandisi Mphahlwa who was in office from 1999 to 2004 and was instrumental in setting up National Treasury's oversight of the GEPF and the PIC, before he was promoted to Minister of Trade and Industry. Mphahlwa was later deployed to Mozambique as South Africa's High Commissioner.

Dr Frans le Roux played an influential role within the National Treasury as the Deputy Director-General: Financial Management, in guiding the formative years of the GEPF. He subsequently served on the GEPF's second Board of Trustees, from 2009. He is a former chair of the PIC's Executive Committee.

Development Investing, Responsible Investing

In 2002, South Africa hosted the United Nations World Summit on Sustainable Development (WSSD). This kickstarted a process where company boards and institutional investors debated principles of sustainability as well as investing in a manner that was environmentally and economically sound while providing positive economic returns.

Alongside the Developmental Investing, the GEPF adopted principles of Responsible Investing and, again through the execution of its investment mandate by the PIC, has ensured that the principles permeate through entities and investee companies. This has made the Fund a central player in the development and adoption of development-focused and responsible investment practices in South Africa and other emerging markets.

In 2006 the Fund's drive to become the leader in responsible investing was confirmed when the United Nations revealed its Principles for Responsible Investment (PRI) at the New York Stock Exchange (GEPF is one of the founding signatories). The UN-backed Principles for Responsible Investment (PRI) was launched to encourage collaborative engagement, at an institutional level, on the incorporation of environmental, social, and governance issues in decision-making, ownership, and investment practices.

GEPF's Developmental Investment Policy (DI) was launched in 2010. The Development Investment Framework was particularly important in guiding the venture into unlisted investment through the PIC's Isibaya Fund. Developmental Investment ensures not only high commercial returns but commits the investee to the ideals of responsible deployment of funds to support economic transformation and empowerment, as well as job creation.

GEPF and other concerned stakeholders also launched the Code for Responsible Investing in South Africa (CRISA) in 2011. GEPF's Developmental Investment Policy (DI) adopted a four-pillar approach to developmental investing: economic infrastructure; social infrastructure; environmental investments; and enterprise development (including black economic empowerment and job creation).

In 2012 the Fund established an Environmental, Social, and Governance (ESG) Unit and a programme of engagement was started with investee companies to ensure their compliance with ESG imperatives. In 2013 it signed private placement memoranda (PPM) with the PIC for private equity and infrastructure funds that will be invested in commercially viable South African-based projects with a positive long-term impact on development. The GEPF and the PIC set up the ESG Committee to monitor the implementation of these goals.

In June 2014, the GEPF took part in the Responsible Investor (RI) Europe 2014 Conference in London. In its Annual Report of 2013, the Fund announced that it had been bestowed with an award, the Best RI Report by a Large Fund. It was competing for this honour against retirement funds with a longer history and from developed economies including Australia, Canada, France, the Netherlands, New Zealand, Norway and Sweden in the large pension funds sector, or those with assets under management greater than €25 billion (R250 billion



at the time). GEPF shared the honours with the Canadian Pension Plan Investment Board (CPPIB), one of the world's top-10 largest funds.

2014 marks a period in which Responsible Investing principles were embedded. In its Responsible Investing report, the GEPF notes that "Responsible Investment is not simply a 'nice-to-have' list of things to do that are never acted upon." It undertook to take a "public and proactive approach" of active ownership and environmental, social, and governance (ESG) considerations across its entire investment portfolio, irrespective of the asset class in which it is invested. GEPF has made it clear to its stakeholders, irrespective of whether they are its peers in the investment community, the entities in which it invests, or the broader South African society, that it will actively encourage better corporate management of ESG issues.

The GEPF had also established an ESG Working Committee with the PIC. The Committee meets frequently to consider ESG research, proxy voting, transformation, remuneration and environmental issues. The GEPF has utilised both informal and formal engagement with asset managers and listed companies to promote and entrench its responsible investment.

A number of GEPF and PIC executive members have assumed a local and global leadership role in promoting Principles in Responsible Investing by leading the South African Committee on Responsible Investment and serving on the United Nations Principles of Responsible Investment (UNPRI) body.

The GEPF is also a participant in the Emerging Markets Disclosure Project, a collaboration among international investors aimed at encouraging greater ESG disclosure by companies in emerging markets. The Fund has also engaged extensively with JSE Top 40-listed companies that were excluded from the JSE Socially Responsible Investment (SRI) Index, launched in May 2004, to discuss the need to strengthen their overall ESG disclosure. Over time, these engagements have contributed to some of the previously excluded companies improving their ESG disclosure and subsequently being included in the Index.

Elias Masilela, former GEPF Board Member and former PIC CEO, believes that the Fund is a systemic organisation whose scale demands that it does not merely react to the macroeconomic environment and promote ESG principles, but that the GEPF, through the PIC, can exert an even greater influence on the investment landscape.

The GEPF in Times of Crisis

One of the biggest challenges faced by any pension fund is how to look after the interests of its retired members and grow the investment pot of working members even through trying times of economic crisis. The GEPF has had to carry its members through several economically challenging episodes, but none stand out like the global financial crisis of 2008, and the Covid-19 pandemic, which ravaged the global economy in 2020 and 2021.

At the height of the global financial crisis in 2008/2009, the GEPF returned a negative 10% in its portfolio mainly due to a sharp downturn in the global economy. As a result, the fair value of assets under administration dropped from R707 billion in 2007/2008 to R639,7 billion in 2008/2009, an adjustment of almost R70 billion. By 2009/2010 the Fund had been showing recovery, but more importantly, was able to maintain member benefits, especially for those who left the public service during this turbulent period.

A decade later, the Covid-19 pandemic led to a physical shutdown of the world, with billions of people ordered to isolate, businesses shut and economies coming to a standstill. In the 2019/2020 financial year, the GEPF had delivered a return of -11% as economies were still being battered by the global financial crisis. This was followed by a recovery of 23,1% the following year with assets passing the R2 trillion mark. Despite these cataclysmic events, the GEPF was able to maintain the payout of member benefits arising from retirement and resignation, as well as death and funeral claims.

Then in 2022, Russia invaded Ukraine; a war that continues to be fought. The Fund has sought to protect member interests through all these turbulent events.

The Regulatory Landscape

The GEPF, partly because of its scale, has had a profound influence on the retirement regulation landscape in South Africa, well beyond its stabilising impact as it accounts for 50% of the retirement industry assets. By far the most significant change that has occurred in the South African retirement fund industry is that over the past 20 years, private pensions have moved from being defined benefit to defined contributions. This transfers the risk of a retirement security from the fund to a member. The GEPF remains a defined benefit fund, offering members a guaranteed retirement income based on years of service and average salary, among a range of factors. It also offers enhanced benefits that include post-retirement medical care. This influences the structure of its actuarial liability and funding level.

Although the GEPF is not governed by the Pension Funds Act of 1956, which governs private sector retirement funds, it has voluntarily submitted itself to complying with Regulation 28 of the Act, which guides the limit allocation across various asset classes. The GEPF has used this to make allocations, for instance, to private equity as well as infrastructure investments. It has also been intensely involved in retirement reforms that led to significant developments such as the introduction of the two-pot withdrawal system, which allows members of pension funds to withdraw portions of their savings before retirement – but under certain guidelines. When the two-pot retirement system went live in September 2024, the GEPF received about 400 000 withdrawal applications totalling R10,6 billion.

Now, as the retirement industry debates possible movement towards compulsion for retirement fund membership, the GEPF stands ready to offer guidance on how compulsory membership can be achieved and implemented as has been the practice in the public service.

Innesfree





THE INVESTMENT JOURNEY AND IMPACT



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From R127 billion to R3,27 trillion: how the GEPF rode three decades of boom, crisis and recovery.

CHAPTER 2

THE INVESTMENT JOURNEY AND IMPACT

The single greatest achievement of the Government Employees Pension Fund is easy to overlook precisely because it has never failed: in 30 years as a defined benefit fund, it has generated the investment returns and asset growth needed to honour every pension, gratuity and withdrawal benefit due to its members without once having to call on the state, its ultimate guarantor. Like the five-yearly ritual of free elections whose outcome is accepted by all parties, it is the kind of institutional success that is noticed only when it is interrupted.

The scale of that achievement is best captured by the Fund's balance sheet. Established on 1 May 1996 through the amalgamation of the pension funds that had served the apartheid-era public service and the former homeland administrations, the GEPF ended its first financial year with accumulated funds and reserves of about R127 billion. By 31 March 2026, the assets the Public Investment Corporation (PIC) managed on its behalf had reached R3,27 trillion – a 25-fold increase and a compound annual growth rate of close to 12% over 29 years. In 2024/25 alone the Fund paid out R167,2 billion in benefits to its members, pensioners and their beneficiaries, against contributions received of R95,6 billion, while still growing its accumulated funds and reserves by 13,1%.

The Fund's investment return in 2024/25 was 14,1%, its strongest since the post-pandemic rebound of 2020/21. Over the longer run, the Fund has delivered returns that have, on balance, kept pace with or exceeded inflation, allowing the Board of Trustees to grant pension increases that have broadly protected the purchasing power of pensioners. Accumulated funds and reserves grew at an average rate of 14,9% a year in the decade to March 2015, slowing to 5,7% a year over 2016–2025, a period that included the deepest economic contraction in South Africa's modern history.

Table: GEPF at a glance. Then and now.

Indicator	First years	Most recent
Accumulated funds and reserves	R217 billion (31 March 1997)	R3,2 trillion (31 March 2026)
Investment portfolio growth	R707 billion	3,269 trillion (31 March 2026)
Return on investment	31%	19,0%

Source: GEPF Annual Reports 2007/08 and 2024/25; PIC Integrated Results 2025/26.

Thirty years in context: the economy the Fund grew up in

The GEPF's growth cannot be separated from the economy it invests in. Measured in nominal terms, South Africa's gross domestic product rose from R545 billion in 1994 to R7,35 trillion in 2024 – roughly a 13-fold increase, much of it inflation-linked. In real terms the economy roughly doubled over the same thirty years, an average real growth rate of about 2,3% a year. That average conceals four very different eras and the Fund's own growth path mirrors each of them.

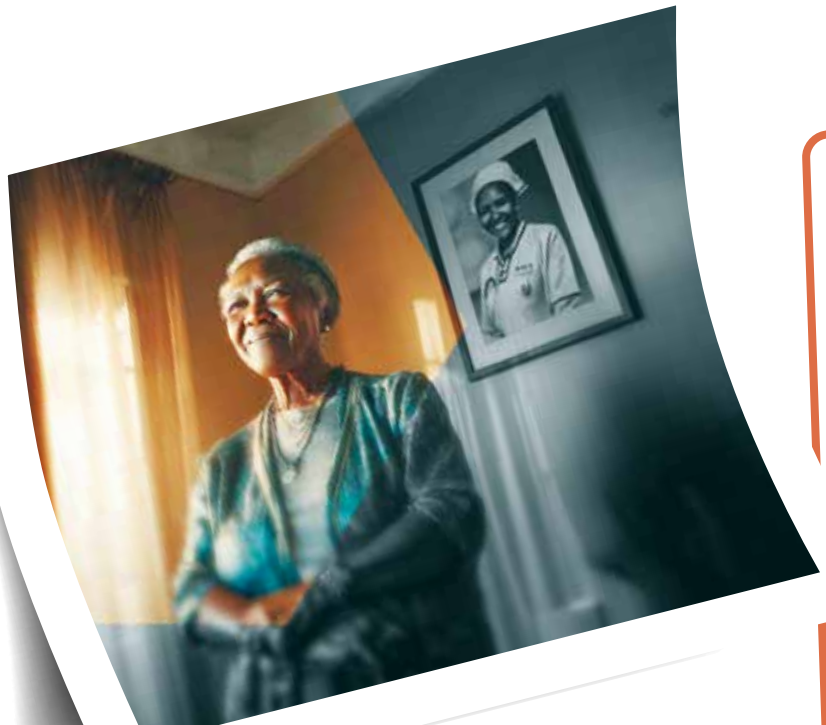
The GEAR years and the long boom, 1996–2008

The democratic government inherited an economy that had barely grown for a decade. Real GDP growth averaged less than 1% a year in the decade to 1993, gross fixed investment had collapsed, the public debt burden had risen sharply as the apartheid state borrowed to fund its final years, and the budget deficit was running at more than 5% of GDP. The country had been shut out of international capital markets for much of the 1980s by sanctions and the 1985 debt standstill. The Reconstruction and Development Programme (RDP) set out the social agenda – housing, water, electricity, land and jobs – but it was not, in itself, a macroeconomic framework capable of financing that agenda.

The GEPF was born into this challenging environment. When the Fund was constituted in May 1996, the first actuarial valuation found it only 72,3% funded: the assets inherited from the consolidated funds covered less than three-quarters of the benefits already promised to members. Closing that gap would depend on the performance of the domestic economy and its financial markets.

In February 1996 the Rand came under severe speculative attack, losing about a quarter of its value against the US dollar over the course of the year, amid market concern about the direction of policy. Trevor Manuel, who had been appointed Minister of Finance in April 1996 responded by tabling the Growth, Employment and Redistribution strategy (GEAR) in Parliament on 14 June 1996, six weeks after the GEPF came into being and a month after the Constitutional Assembly adopted the new Constitution.

GEAR's central proposition was that sustained growth of 6% a year was achievable if fiscal discipline, low inflation and a more open economy could raise private investment and non-gold exports. Its main instruments were a phased reduction of the budget deficit, tight



> When the Fund was constituted in May 1996, the first actuarial valuation found it only 72,3% funded.

monetary policy, accelerated trade liberalisation, the gradual relaxation of exchange controls (including higher offshore limits for institutional investors), the restructuring of state-owned enterprises, and wage moderation linked to productivity.

GEAR succeeded in restoring fiscal credibility, bringing down inflation and the cost of capital, and laying the institutional foundations for the boom that followed. For a long-horizon investor such as the GEPF – whose liabilities are linked to public service salaries and inflation – that stability was of first-order importance.

Shocks from abroad: 1997–2002

The new framework was tested almost immediately. The Asian financial crisis that began with the collapse of the Thai baht in July 1997, and the Russian default of August 1998, triggered capital flight from emerging markets. The Reserve Bank defended the Rand by raising interest rates sharply: the prime lending rate peaked at 25,5% in August 1998. Growth slumped to 0,5% in 1998 and the JSE fell for two consecutive years. The GEPF's funds and reserves grew by only 8% in 1998/99.

The bursting of the dotcom bubble in 2000–01 and the Rand's collapse in late 2001, when it briefly traded at almost R14 to the US dollar, were further shocks, compounded by the September 2001 attacks in the United States. The GEPF's asset growth fell to just 3,4% in 2002/03 as global equity markets bottomed out. Yet each setback was followed by recovery, a pattern that would define the Fund's history.

The boom years: 2003–2008

From 2003, South Africa entered the strongest period of economic growth in its democratic history. Thabo Mbeki, President since June 1999, presided over an economy that grew by an average of 5,2% a year between 2004 and 2007, peaking at 5,6% in 2006. Several forces combined:

- A commodity super-cycle, driven by China's industrialisation, lifted the prices of platinum, gold, coal and iron ore and transformed South Africa's terms of trade.
- Low inflation and falling interest rates – the repo rate was cut to 7% by 2005 – unleashed a credit-driven consumption and property boom, and supported the expansion of a black middle class.
- Fiscal consolidation created room for higher social spending: by 2006/07 and 2007/08 the national budget recorded surpluses, the first of the democratic era, and general government gross debt fell to about 24% of GDP by 2008.
- Investor confidence improved markedly; South Africa's sovereign credit ratings were upgraded by S&P and Fitch in 2005, the last upgrades the country would receive for two decades.
- Broad-based black economic empowerment (the B-BBEE Act of 2003 and the 2004 Financial Sector Charter) began to reshape ownership, including the requirement that a portion of institutional assets be directed to targeted developmental investment.

What the boom meant for the GEPF

The boom years transformed the GEPF. Between March 1997 and March 2008 its accumulated funds and reserves rose more than five-fold, from about R127 billion to R707,0 billion – a

> For the first nine years of its existence, the Minister of Finance, Trevor Manuel, served as the Fund's sole interim trustee.

compound annual growth rate of almost 17%. Growth accelerated as the commodity cycle took hold: funds and reserves rose by 22,7% in 2003/04, 20,7% in 2004/05, 31,3% in 2005/06 and 20,8% in 2006/07. Net investment income peaked at R128 billion in 2005/06 and R116 billion in 2006/07, before falling to R48 billion in 2007/08 as markets turned.

GEPF growth during the GEAR and boom years

Year to March 31	Funds and Reserves (R bn)	Growth (%)	Investment income (R bn)
1997	127	–	17
1998	153	19,7	26
1999	165	8,0	13
2000	202	22,1	36
2001	232	14,9	31
2002	271	17,0	42
2003	281	3,4	14
2004	344	22,7	63
2005	416	20,7	73
2006	546	31,3	128
2007	659	20,8	116
2008	707	7,3	48

Source: GEPF Annual Report 2007/08, Highlights and 11-year review.

For the first nine years of its existence, the Minister of Finance, Trevor Manuel, served as the Fund's sole interim trustee. The first Board of Trustees – 16 members, equally split between employer and employee representatives, including an elected pensioner representative – was inaugurated on 20 June 2005 under the chairmanship of Martin Kuscus. By then the Fund held about R416 billion. The board approved a revised strategic asset allocation in 2006/07, signed the United Nations Principles for Responsible Investment, and in 2008 began separating the Fund's fiduciary functions from its benefits administration, which would later become the Government Pensions Administration Agency (GPAA).

Crucially, the Kuscus board used the good years to prepare for the bad. Following an asset-liability study based on the 31 March 2006 actuarial valuation, it set aside a solvency reserve of R42 billion to absorb market volatility between valuations and a pension increase reserve of R57 billion to give trustees discretion to grant inflation-matching pension increases. The Fund's funding level, 72,3% at inception, reached 101,7% in 2006 after allowing for these reserves.

The Global Financial Crisis, 2007–2009

The Global Financial Crisis had its roots in the United States housing market. Through the early 2000s, low interest rates, lax lending standards and an expectation that house prices would keep rising fuelled a surge in "subprime" mortgage lending to borrowers with weak credit histories, often on adjustable rates that reset sharply after an introductory period. Banks did not hold these loans; they packaged them into mortgage-backed securities and, in turn, into collateralised debt obligations, many of which were awarded top AAA ratings by the credit

rating agencies. These instruments were sold to investors around the world, and financed by a lightly regulated "shadow banking" system of investment banks, structured investment vehicles and money-market funds that borrowed short-term to hold long-term, illiquid assets at very high leverage.

When US house prices began to fall in 2006 and mortgage defaults rose, the value of these securities became impossible to establish – they became known as "toxic assets" – and confidence in the solvency of the institutions holding them evaporated. Because the exposures were opaque and interlinked, lenders stopped lending to each other. The crisis unfolded in stages:

Impact on South African Economy

South Africa's banks were largely insulated from the toxic assets at the heart of the crisis. Exchange controls limited their offshore exposure, the National Credit Act of 2007 had already tightened domestic lending standards, and the banking system was well capitalised and supervised. The shock arrived instead through trade, commodity prices and capital flows.

- Commodity prices and export volumes collapsed as global demand evaporated. Mining output fell by a record 33% (annualised) in the fourth quarter of 2008, and manufacturing by 22%.
- Foreign investors withdrew from emerging markets. The rand weakened from below R7 to almost R12 to the US dollar in October 2008.
- The JSE All Share Index lost about 45% of its value between its May 2008 peak and its November 2008 trough, and delivered a total return of −23,2% for calendar 2008.
- The economy contracted for three consecutive quarters from the fourth quarter of 2008 – the first recession in 17 years – and real GDP fell by 1,5% in 2009.
- Close to a million jobs were lost during 2009, reversing much of the employment gains of the boom years.

The policy response was swift. The Reserve Bank cut the repo rate by 500 basis points, from 12% in December 2008 to 7% by August 2009. Government maintained a R787 billion three-year public infrastructure programme, partly linked to the 2010 FIFA World Cup – the first to be hosted on African soil. The budget swung from surplus into a deficit of more than 6% of GDP in 2009/10.

Manuel, who had returned from the IMF and World Bank Spring Meetings in Washington in April 2008 to tell Parliament that there would be "weeping and gnashing of teeth", recalls that South Africa's saving grace was the fiscal space it had built during the boom. With budget surpluses and debt at its lowest level in decades, the state could borrow to cushion the downturn. That space has since been used up: general government gross debt has risen from about 24% of GDP in 2008 to more than 76% in 2024, and National Treasury's 2026 Budget projects gross loan debt stabilising at 78,9% of GDP in 2025/26.

Impact on the GEPF

For the GEPF, the crisis was the first serious test of the reserving discipline established by the Kuscus board. In the 2008/09 financial year, the Fund posted a negative return on investment of 10,2%, against a decline of 28,5% in the JSE All Share Index over the same period. Accumulated funds and reserves fell by R67,3 billion, from R707,0 billion to R639,7 billion, and the investment portfolio fell by 12,2% to R621,9 billion, almost entirely because of the decline in listed equities. The fair-value adjustment on the Fund's investments was −R120,9 billion, partly offset by interest of R34,0 billion and dividends of R21,6 billion.

Three features of the GEPF's experience stand out. First, the Fund never faced a liquidity problem: contributions of R30,4 billion exceeded benefits of R28,7 billion, so it was never a forced seller of assets at depressed prices. Second, the reserves did exactly what they had been created for. Despite the losses, the Board granted a full inflation-matching pension increase of 9% from April 2009, with catch-up increases of up to 10,5% for pensioners whose annuities had fallen behind inflation. Third, the 31 March 2008 actuarial valuation, completed during the crisis, still found the Fund 100% funded after the pension increase, mortality and data reserves, although the solvency reserve was no longer fully covered. The Board was quick to reassure members that, as a defined benefit fund, their benefits were guaranteed and the investment risk rested with the employer.

Recovery was rapid. As central banks flooded markets with liquidity and Chinese stimulus revived commodity demand, the JSE returned 32,1% in 2009. The GEPF earned 19,7% in 2009/10, lifting accumulated funds and reserves by 25% to R801 billion and taking them above the pre-crisis peak within a year. The PIC's assets rose 23% to R910,9 billion. The Fund passed R1 trillion during the 2011/12 financial year.

The lessons drawn from the crisis shaped the Fund's subsequent approach: a commitment to holding contingency reserves built in good years; an emphasis on cash-flow sufficiency so that benefits never depend on asset sales; diversification, including the gradual introduction of offshore and African exposure; and closer oversight of the PIC as the Fund's investment manager. The governance changes begun in 2008 continued under the second Board, chaired by Arthur Moloto and inaugurated on 22 September 2009. In October 2009, the Fund's assets held by the PIC were registered in the GEPF's own name, strengthening its standing as an asset owner and active shareholder.

Stagnation, the pandemic and renewed shocks, 2010–2026

The decade after the World Cup proved far harder. South Africa's structural constraints – unreliable electricity, logistics challenges at Transnet, policy uncertainty and the institutional damage of state capture – kept growth at an average of about 1,8% a year between 2010 and 2019, and just 0,3% in 2019. The country lost its investment-grade credit ratings between 2017 and 2020. The GEPF's growth slowed accordingly: its investment return fell to 4,0% in 2015/16, 4,3% in 2016/17 and 2,6% in 2018/19. In 2013/14 benefits paid exceeded contributions for the first time, a structural shift as the membership matured.

Then came Covid-19. The JSE collapsed in March 2020 as the pandemic spread, and the GEPF recorded a return of −11,2% for 2019/20, with funds and reserves falling from R1,81 trillion to R1,59 trillion. In calendar 2020 the economy contracted by more than 6% – the initial Statistics South Africa estimate of 7% was the largest annual fall since at least 1946. Once again the Fund rebounded sharply, earning 23,1% in 2020/21 as a global commodity boom lifted the JSE, and passing R2 trillion by March 2021.

The respite was brief. Russia's invasion of Ukraine in February 2022 drove up global grain and oil prices, given the two countries' positions as major suppliers, and triggered a worldwide cost-of-living crisis and a sharp rise in interest rates. Through its inflation-linked pension increases, the GEPF sought to shield pensioners from the worst of this. The Fund explored how the scale of its resources could protect the purchasing power of its members to secure better terms from retailers and service providers. Returns were muted in 2022/23 (3,5%) and 2023/24 (4,9%), before recovering to 14,1% in 2024/25.

Since the pandemic, government's reform programme under Operation Vulindlela – covering electricity, freight rail and ports, visas, telecommunications spectrum and local government – has begun to bear fruit. In November 2025 S&P Global upgraded South Africa's sovereign rating for the first time in almost two decades, and in June 2026 Fitch followed with its first upgrade in nearly 21 years, raising the rating to BB. The GEPF ended the 2025/26 financial year with R3,27 trillion under PIC management, an increase of R546 billion or 20,2% in a single year.

Thirty years of growth: a chronology

Year (March 31)	R billion	Milestones
1996	–	GEPF established on 1 May through the amalgamation of public-sector funds; first valuation finds it 72,3% funded; GEAR tabled on 14 June
1997	127	End of first financial year; Asian financial crisis begins
1998	153	Emerging-market crisis; prime rate peaks at 25,5%
1999	165	The GEPF officially took over the Ciskeian Civil Servant Pension Fund
2000	202	Inflation targeting introduced
2001	232	Rand collapses to almost R14/US$
2002	271	World Summit on Sustainable Development
2003	281	Global equity markets bottom out; growth slows to 3,4%
2004	344	PIC corporatised under the PIC Act
2005	416	First Board of Trustees inaugurated on 20 June (chair: Martin Kuscus)
2006	546	Fund grows 31,3%; Isibaya Fund launched
2007	659	R42bn solvency and R57bn pension increase reserves set aside
2008	707	Global financial crisis
2009	640	Return of –10,2%; full 9% pension increase granted; second Board inaugurated (chair: Arthur Moloto)
2010	801	Recovery: return of 19,7% largely due to FIFA World Cup
2011	914	GPAA established as a separate administrator
2012	1 039	Fund passes R1 trillion
2013	1 244	The GEPF hosted the 7th annual UN-supported Principles for Responsilble Investment Conference in Durban
2014	1 426	Third Board inaugurated (chair: Dr Renosi Mokate)
2015	1 591	Funds have grown 14,9% a year over ten years
2016	1 629	20th anniversary; R1,6 trillion
2017	1 673	Steinhoff collapses in December
2018	1 800	Mpati Commission into the PIC appointed in October
2019	1 812	Economy grows only 0,3%
2020	1 594	Covid-19: return of –11,2%
2021	2 041	Rebound: return of 23,1%; funds pass R2 trillion
2022	2 236	Russia invades Ukraine
2023	2 267	Return of 3,5%
2024	2 344	Introduction of the two-pot retirement system
2025	2 651	Return on investments grew at 14,1%
2026	3 244	Assets under GEPF management surpass R3,27 trillion



Lona group site visit – Cape Olives



ADMINISTRATIVE AND POLICY CHANGE



GEPF™
your investment, your future

CHAPTER 3

A LIGHTHOUSE IN A SEA OF CHANGE

In the three decades since it was established in 1996, the Government Employees Pension Fund has operated through profound change in the retirement industry, both in South Africa and globally. The way risk is shared between employer and employee, how benefits are designed and administered, and how members' savings are invested have all been reshaped. The GEPF has responded to many of these changes – and helped to shape some of them.

Throughout, the Fund has described itself as an organisation that "understands the weight of its responsibility" – to its members, and to the South African economy and broader society. For 30 years, it has stood like a lighthouse in a sea of change.

Why the GEPF remains a defined benefit fund

The most significant structural shift in South Africa's pension landscape has been the migration of most private-sector funds from defined benefit (DB) to defined contribution (DC) arrangements. In a DC fund, the retirement outcome depends on the contributions made and the investment returns earned, so the member carries the investment and longevity risk. In a DB fund, the benefit is fixed by a formula linked to salary and years of service, and the employer carries the risk of funding it.

The GEPF remains a DB fund. Its benefits are set by the Government Employees Pension Law, 1996 (the GEP Law) and the Fund's rules, and are guaranteed by the state. They are not tied directly to market performance or to commercial fund benchmarks. This guarantee is a central part of the value proposition of public-sector employment in South Africa, and it is unlikely to change in the short to medium term.

GEPF chairperson Frans Baleni, a former trade unionist appointed to the role in December 2024, says the move from DB to DC shifts the risk of an inadequate retirement outcome from the employer to the member, which is the main reason private employers embraced it. He does not regard such a move as necessary or desirable in the public sector. Frikkie de Bruin, general secretary of the Public Service Co-ordinating Bargaining Council (PSCBC), where public-service conditions of employment are negotiated, says the DB structure remains a core condition of public service employment, and that any attempt to change it would meet understandable resistance.



> A GEPF benefit is determined by two variables: the member's pensionable service and their final average salary.

The appeal is easy to see. A public servant who retires at 60 receives a pension for life based on final salary and years of service, adjusted annually for inflation, even if they live to 90. When a pensioner dies, a surviving spouse continues to receive a portion of that pension. That combination of certainty and longevity protection is difficult for any DC product to replicate.

Elias Masilela, a former chief executive of the Public Investment Corporation from 2011 to 2014, who was also a GEPF trustee in his past life, says if government ever considered converting the GEPF to a DC fund, certain conditions would first need to be in place – chief among these is strong economic growth, which South Africa does not currently have. Former finance minister Trevor Manuel believes the GEPF will remain a DB fund, but says it will need to adopt some of the disciplines of a DC fund: rigorous investment practices to protect its assets and, possibly, member education to help members make informed choices.

How benefits are calculated

A GEPF benefit is determined by two variables: the member's pensionable service and their final average salary, which is the average pensionable salary over the last 24 months of service. Members who retire with fewer than ten years of pensionable service receive a once-off lump sum (a gratuity) only. Members with ten or more years receive a once-off gratuity and a monthly pension for life.

Does the GEPF go far enough?

The average South African pensioner may face needs that a pension alone does not meet. Not all pensioners retire as part of a dual-income household. Some are raising grandchildren because of social circumstances. Others, given South Africa's persistently high unemployment, support members of their extended family.

Retired General Dries de Wit, a trustee from 2006 until 2022 who represented the armed forces and, from 2016, pensioners on the Board, and who has recently been re-elected, says the GEPF's primary responsibility is to its members. He acknowledges, however, that many pensioners use their pension to support extended families. In his view, members with long service, and generally the seniority that comes with it, can expect a comfortable pension.

De Wit points to two improvements in benefits that he regards as victories. The first concerns annual pension increases. The GEP Law guarantees pensioners an annual increase of at least 75% of the consumer price index (CPI). The Board has the discretion to grant more, and has consistently awarded full CPI increases. It can also grant "catch-up" increases to make up for earlier years when increases fell short of inflation. In April 2024, for example, the Fund granted a 6% increase – 109,1% of CPI. With the national inflation target lowered to 3% in November 2025, De Wit believes it will be possible to secure increases slightly above inflation.

The second improvement concerns the resignation benefit. Previously, members who resigned could receive only their own contributions with interest. Resigning members now receive an actuarially determined lump sum that reflects the value of the pension they have accrued, including the employer's contributions. This gives them a clean and fair break.

Another feature distinguishes GEPF pensioners from members of most private funds: the post-retirement medical subsidy. It is not entirely a Fund benefit. It is a non-contributory employer benefit funded by National Treasury and administered by the Government Pensions Administration Agency (GPAA), which pays a portion of a qualifying pensioner's medical scheme contributions for life. Together with the guaranteed pension, it is among the most compelling reasons for public servants to stay in service until retirement. Beyond retirement and resignation benefits, the GEPF pays spouse's pensions, children's pensions for the benefit of minor and dependent children, death benefits and funeral benefits.

Contributions, benefits and administration

Over the decade from 2016, contributions to the Fund rose from about R60 billion a year to R101 billion in 2025/26. Over the same period, benefits paid roughly doubled, from about R83 billion to R167,16 billion. The Fund therefore pays out considerably more each year than it receives in contributions, which is normal for a mature DB fund. The shortfall is met from investment income on assets.

Benefits are administered by the GPAA, which was established as a separate government component in 2010. Delays in paying benefits predate the GPAA and were already a concern of the early boards. While efficiency has improved, the problem has not gone away.

Investment governance and Regulation 28

Most South African retirement funds are registered under the Pension Funds Act, 1956, and must comply with Regulation 28 of that Act. The regulation, first promulgated in 1962, sets prudential limits on how much a fund may invest in each asset class and with any single issuer or counterparty. It was substantially overhauled with effect from 1 July 2011. That revision introduced a "look-through" principle so that funds could not sidestep the limits by investing through layered vehicles. It also extended the limits to the individual member level in funds that allow members to choose their own investments. Further amendments, published on 5 July 2022 and effective from 3 January 2023, created an explicit category for infrastructure, with a ceiling of 45% of a fund's assets. Separately, the combined offshore allowance for retirement funds was raised to 45% in 2022.

> The most far-reaching retirement reform of the GEPF's fourth decade is the two-pot system.



Arthur Moloto and the late Finance Minister Pravin Gordhan

The GEPF is not registered under the Pension Funds Act and is therefore not bound by Regulation 28. Under section 6(7) of the GEP Law, its investment policy is determined by the Board in consultation with the Minister of Finance and set out in the Fund's Investment Policy Statement.

The two-pot retirement system

The most far-reaching retirement reform of the GEPF's fourth decade is the two-pot system. It took effect on 1 September 2024. The tax changes were made by the Revenue Laws Amendment Act 12 of 2024. The Pension Funds Amendment Act of 2024, signed into law in July 2024, amended the Pension Funds Act and, importantly for the GEPF, the Government Employees Pension Law, 1996, as well as the laws governing the Transnet and Post Office and Telkom funds.

The reform addressed a long-standing weakness of the South African system: poor preservation. Before September 2024, the only way most members could reach their retirement savings before retirement was to resign. Many did exactly that in times of financial distress, often cashing out their entire benefit. The two-pot system offers limited access to a portion of savings while employed, in exchange for compulsory preservation of the rest until retirement. Financial pressure on households after the COVID-19 pandemic made the change more urgent.

From 1 September 2024, a member's retirement savings are held in three components:
The vested component holds everything accumulated up to 31 August 2024, less the seed amount described below. The old rules continue to apply, so it remains accessible on resignation. The savings component receives one-third of contributions made from 1 September 2024. It was seeded with 10% of the vested component's value, capped at R30 000. Members may withdraw from it once per tax year, provided the withdrawal is at least R2 000. Withdrawals are taxed as income at the member's marginal rate, and SARS may recover outstanding tax debt from the payout.

The retirement component receives two-thirds of contributions made from 1 September 2024. It must be preserved until retirement and used to provide a pension. It cannot be accessed on resignation.

So how does it apply to a defined benefit fund? A DB fund has no individual account balances, so the GEPF expresses the components in terms of pensionable service rather than Rand. From 1 September 2024, one-third of each member's new pensionable service is credited to the savings component and two-thirds to the retirement component. The initial seeding was done through a past-service adjustment equivalent to 10% of the value of the vested benefit, up to R30 000.

When a member withdraws, the Fund uses its actuarial interest factors to calculate the Rand value, and reduces the pensionable service credited to the savings component accordingly. In practical terms, every two-pot withdrawal permanently reduces the pension a GEPF member will receive at retirement. A DC member who withdraws gives up a Rand amount and its future growth. A GEPF member gives up years of service in a final-salary formula.



Former Finance Minister Nhlanhla Nene and Abel Sithole

The impact on the retirement industry

Treasury had expected the reform to raise about R5 billion in tax in 2024/25. SARS ultimately collected R10,6 billion in two-pot PAYE in that fiscal year. The Reserve Bank, measuring the additional income tax differently, put the figure at R12,9 billion. Collections fell to R8,5 billion in 2025/26 as the initial surge subsided. With roughly 10,9 million active retirement fund members in South Africa, the first five months alone saw directives issued for the equivalent of more than one in five members.

By the system's second anniversary, the pattern had shifted from a one-off surge to habitual use. Alexforbes reported that 67% of members who withdrew in the 2025 tax year withdrew again in 2026, and 31% had withdrawn in all three tax years since launch. Members reported using the money mainly to repay debt (44%) and cover everyday living expenses (23%). In March 2026, National Treasury said it was considering allowing limited, conditional access to the retirement component for members facing severe hardship – a sign of how much pressure the system has come under.

The impact on the GEPF

As the largest pension fund in Africa, the GEPF was always going to be at the centre of the reform. Within about 11 weeks of launch, it had received almost 400 000 applications worth R10,6 billion and paid about 361 000 claims. The average claim was about R27 500, on which members paid about R8 000 in tax. More women (58%) than men applied, and most claimants were aged between 37 and 45 with between nine and 16 years of service.

By the end of the 2024/25 financial year on 31 March 2025, seven months after launch, the GEPF had received 691 501 applications and paid 564 547 claims to a total value of R14,37 billion, an average of about R25 450 per claim.

Two conclusions follow. First, in cash-flow terms the withdrawals are material. In their first seven months they added the equivalent of 8.6% to the Fund's annual benefit payments and absorbed 15% of a year's contributions, in a fund whose benefit payments already exceed its contributions. Second, they pose no threat to solvency. At about 0,5% of assets, R14.37 billion barely registers against a balance sheet that is 119% funded.

The GEPF's R14,37 billion is roughly a third of the R43,42 billion SARS had recorded nationally by the end of January 2025, although GEPF members make up only about 12% of the country's active fund members. The most likely explanation is that long-serving public servants had large vested benefits, so their seed amounts were at or near the R30 000 cap.

Throughout, the GEPF has used member education to highlight the long-term cost of withdrawing. It encourages members to leave their savings component untouched. Members who do withdraw are encouraged to see it as a last resort and to rebuild their retirement provision afterwards.

Conclusion

Three decades on, the defined benefit promise at the heart of the GEPF remains intact. The Fund is 119% funded, its assets have grown to R3,27 trillion, and its pensions continue to rise in line with – and in some years ahead of – inflation. Few retirement funds anywhere can make a comparable promise members and pensioners.



THE PEOPLE



BEHIND THE GEPF


Trevor
Manuel

BUILDING INSTITUTIONS PEOPLE CAN TRUST

For its first decade, the Government Employees Pension Fund had one trustee: the Minister of Finance. ***Trevor Manuel*** built a single fund out of apartheid's various pension schemes, handed it to a board, and still believes the hardest questions about it should never be settled.

Early in his time as finance minister, Trevor Manuel was asked a question by Nelson Mandela that he has never quite put down. "So Trevor," the President said, "what keeps you awake at night?"

Manuel's answer was the kind that only a finance minister loses sleep over. By 1998, he told Mandela, the largest single item on the national budget would be debt service costs. Mandela, who never pretended to be an economist, asked whether that meant interest. It did. Interest, Manuel explained, on money already spent.

The reply that came back, in what Manuel calls Mandela's own unmistakable style, cut through every economic model in the Treasury. "But that's not right, because that money is already spent," Mandela said. "We're spending more on yesterday than on tomorrow. Can you fix this in a way so that education becomes the number one expenditure item?"

"It was a fundamentally important discussion," Manuel says, three decades on. It is a fitting place to begin the story of the Government Employees Pension Fund, because the GEPF is, at heart, an argument about yesterday and tomorrow. It holds money that public servants

have already earned, set aside for a future they have not yet reached. Manuel oversaw the creation of the GEPF under the Government Employees Pension Law of 1996, stitching ten separate public-sector pension funds into one, and served as its sole interim trustee for its first nine years. They included funds serving the old South African government as well as the former TBVC states – Transkei, Bophuthatswana, Venda and Ciskei. The purpose was not simply administrative consolidation: the process also sought to create a more uniform pension arrangement for government employees emerging from the fragmented apartheid system.

Money already earned

Manuel returns, again and again, to a single idea. "Pensions comprise monies already earned, but deferred," he says. The employer and the employee both contribute, but the money belongs to the worker. Everything else about the GEPF, in his telling, flows from that.

In 1994 that principle was more aspiration than fact. The public service he inherited ran on salaries that were "greatly racially stratified", and its pensions were spread across a tangle of funds for the old public service, the self-governing territories and the four nominally independent homelands.

The homeland leaders, sensing the end of their era, took what Manuel calls "a long view" of the money. Some tried to privatise their pension funds and claim the money as their own. The cost was borne by ordinary workers. "There are people who were long-term public servants in the Ciskei and Venda who never got their full pensions, because this money had been taken away. So part of the first mission was to construct a single pension fund."

The Fund itself was "woefully underfunded" at around 70% of what it owed. Manuel has little patience for nostalgia about the competence of the old order. "There's this notion that the Apartheid regime knew exactly what they were doing," he says. "But there was a lot of chaos." The state, he argues, had been "spending pensions on defence and other things without the responsibility to put it back in".

Derek Keys, the then finance minister from 1992, had begun closing the gap so that public servants would not be left "in the lurch". Finishing that job would fall to Manuel.

Done in ink

The law that created the GEPF made the Minister of Finance its sole trustee, and also left him solely responsible for the Public Investment Corporation, which managed its money. Manuel was uneasy with that much power sitting in one office. So he sat down with his then deputy, Gill Marcus, and divided the work between them. "I didn't have a fancy spreadsheet," he recalls. "I sat down and first did this draft in ink." He would be the Fund's trustee; she would chair the PIC. "There was never a law requiring the Deputy Minister of Finance to be the chair of the PIC. It was a practical arrangement, so that the lines were clear."

> "I didn't have a fancy spreadsheet, he recalls. I sat down and first did this thing in ink.

He anticipates the obvious question about why that sole trusteeship lasted a decade. "The long period before the trustees were

established wasn't because Trevor Manuel wanted to be the sole trustee. It took that long to build a Board the unions would trust, at a time when the GEAR economic policy had strained that trust badly. Shop stewards had to be trained for an unfamiliar role. "You fought for higher wages," he remembers telling them. "Now you've got to look after that which is earned."

Calculators and erasers

The old Department of State Expenditure gives him one of his most vivid memories. "They were all Afrikaans men in grey suits," he recalls. "They didn't know what a spreadsheet looked like. They'd sit around a big table, and they all had these calculators. They add down and they add across, and then they check, and they have erasers, and that's how they produced budgets."

Yet the handover was gracious. The department's then director-general came to Manuel and told him that he and his deputies would not stand in the way. "We're not going to be an obstacle to change, Manuel recalls him saying. "We'll phase ourselves out." One by one they left. The DG was last one to leave.

In their place came a generation of young black professionals: Maria Ramos as director-general, and Lesetja Kganyago and Brian Molefe running asset and liability management. "These people were all in their thirties, and you're doing these big, big things on behalf of a nation, and you know you can't fail." When only one of the two could become DG, he chose Kganyago and sent Molefe to the PIC.

What held that Treasury together, he believes, was an ethos. "Most black professionals in the Treasury could go to the private sector and write the size of their cheque," he says. "But they were deeply committed to the democratic project, and so they stayed." The results showed in the pension fund. By about 2006, the GEPF was funded at roughly 103%. A fund that had been left badly short was now in surplus.

Never settled

Ask Manuel whether the architecture he built has worked as intended, and he declines to call it finished. "Look, I think this matter should never be settled." The PIC, in his view, has no permanent claim on the



Fund's money. "It must be accountable for the way in which it spends resources – accountable to the GEPF, because that's where the trustees are."

He is candid about the recent past. "I think there's been a lot of wastage and maladministration. But because the Fund is as large as it is, and as important to the South African economy as it is, nobody quite notices this." Its design hides the damage further. Because the GEPF is a defined benefit fund, members are paid what they were promised, whatever the investments do. "We are shielded from that," he says. His remedy is a striking one from a man who helped build the Fund: "We should act as though it is defined contribution."

That discipline depends on what he calls "a strong triangle between the Minister of Finance, the PIC and the GEPF", and on trustees who keep politics at the door. "The money in the pension fund does not wave any political party flag," he says. "It has an obligation in law to fund those employees regardless of what colour T-shirt they wear. That's not optional."

He is most critical of Isibaya, the PIC's fund for unlisted investments. He calls it "a necessary innovation", but one that demands a far higher internal bar and shorter reporting cycles. "The idea that you can go to the PIC and get money mahala – you don't have to pay it back, it doesn't have to perform, it goes straight into your next Lamborghini – is bad for everybody. It destroys the culture of work."

He is careful not to be misread as an opponent of empowerment. "We come from an environment where our parents couldn't bequeath to us; we couldn't collateralise our ideas. But it doesn't mean that we should get away without accountability, especially for public resources."

A better life for all

Looking back across 30 years, Manuel's verdict on the Fund is generous. "What we've been able to build in this country, in the system, is without peer. The achievements over the period are always stronger than the little oops; the little bumps that you get in the short term."

He will not, however, claim it as his own. "I try not to personalise this. I think it's part of our historic responsibility."

What weighs on him now is larger than any single institution. In an uncertain world, he says: "The big thing to do is to ensure that your institutions are strong and accountable to each other." And the promise that carried his generation into government, feels to him, as if it has slipped from view.

"I'm saddened by the fact that the idea of a better life for all is not in play. And the better life needs to be not just for public servants, because people who have missed the boat in employment shouldn't be left in penury."

It is, in its way, Mandela's question asked again: whether a country spends on yesterday or on tomorrow. "These are issues that, as a society, we've got to think about all together," Manuel says. "Ask how we can better take account of the lives of people."





Martin Kuscus



FIRST CHAIR: MARTIN KUSCUS

Growing up as an activist on the streets of Klerksdorp in the then Western Transvaal, Martin Kuscus had no idea that one day he would be addressing the world in New York City in the USA about an innovative and world-class pension scheme that democratic South Africa had developed – The Government Employees Pension Fund (GEPF).

On the 30th anniversary of the GEPF's existence, Kuscus reflected on that surprising call he received from then finance minister Trevor Manuel more than thirty years ago to head the first board of trustees of the GEPF. Although he is no longer actively involved in the pension fund industry, he is still passionate about ensuring that GEPF serves its members diligently and retains its prime slot as one of the top retirement funds in the world.

Pioneers of ESG

Kuscus looks back at a crowning moment for the Fund. "Well, one of the other things that really catapulted us into the spotlight was when I was invited on the 27th of April significantly (Freedom Day) in 2006 to the New York Stock Exchange on the invitation of the then Secretary General the late Kofi Annan. The United Nations launched a programme called the United Nations' Principles of Responsible Investment. And I was one of 36 invitees. I wasn't invited because I was African. I was invited because by that time we were the seventh biggest pension fund in the world.



"And so the GEPF became one of the founding signatories on what is now commonly in investment circles called Environmental, Social and Governance (ESG). We were the first in South Africa, the first on the continent, and we were part of the first in the world to commit to that and drive it in all our investment decisions. From there on, people realised that the rules need to be redefined. There's going to be a new approach; we're going to be ruthless on governance; we were going to be ruthless on environmental integrity, and we would also be ruthless in making sure that we make our contribution towards social transformation."

Kuscus served as MEC of finance in the North West from 1994 to 2004, but his life changed when he received that surprise call from Trevor Manuel. "It was quite an interesting journey. I recall I was on a business trip to Nagoya in Japan, and I got a call from the minister of finance, Trevor Manuel, indicating to me that an agreement had been reached that they needed to bring the GEPF governance in line with the prevailing standards out there. By then Manuel was the only trustee of the Fund and there was an agreement that there must be an employer representative, an employee representative and pensioners that must form the new board. He then indicated to me that I had been earmarked to become the chairperson of the GEPF Board.

"But on my arrival, in our very first meeting, I realised this was (no ordinary) responsibility. Because by then, the membership was just over 1,1 million contributing members, you know, as well as pensioners, and I think the asset base was in the magnitude of R920 billion." The Board had to put in place a totally new governance architecture that did not exist before, and also make sure that the necessary systems, processes, policies and risk management were in place, "...so that at the end of the day, we can make sure that we protect the value of future pension payouts for the members".

Kuscus said he was then coming to terms with just how big the GEPF was. "You actually got to live it to experience it, because with every decision we took, we realised that the GEPF, at that time, accounted for between 8% and 12% of all the money transacted on the Johannesburg Stock Exchange (JSE). Thus, the money was somehow directly or indirectly linked to the GEPF. So you became aware that it's not just about preserving members' pension value, but also your responsibility towards the broader economic environment."

Continental Role

What they wanted to achieve was not only to establish a well-run pension fund but also to set a benchmark for good governance on the African continent. "We were new in the democratic journey, and obviously a lot of pressure was to somehow prove that we can do these things ourselves."

He said because the necessary legislative instruments had been taken care of, what they had to do was look more at the governance side of things and implement a proper investment strategy and benefits structures.

> We realised that the GEPF, at that time, accounted for between eight and 12% of all money transacted in the Johannesburg Stock Exchange (JSE).



Managing Stakeholders

As the chairperson of the Board, he had to make sure that he galvanised organised labour, as well as the employer representative plus the pension fund representatives in a cohesive union. “Each one came with its own culture, its own way of doing things, and therefore decisions sometimes took much longer than I thought, but we had to work very hard on a key element, and that element was trust at the end of the day. It was no longer about the union versus the employer or the pensioners versus whoever else. It was us versus a problem when it arose. We also had to make sure that we structured our relationships with some of our major service providers in a way that delivered good outcomes.”

Public Investment Corporation (PIC)

And one of the service providers was the Public Investment Corporation (PIC), which handles investments on behalf of the Fund. “When I came on board, there was basically a three-page memo between the minister of finance and the PIC, stating upper limits and lower limits, and those kinds of things. And we translated that into a 118-page document to give the PIC proper instructions on how our money is going to be invested; what the new rules of the game are that are going to apply. It did not come easy initially, but we could not negotiate on these things.”

Kuscus said: “Good fences make good neighbours. You know, people assume they are doing the right thing, but we had to put a proper investment mandate in place that went a long way and ensured that the members’ experience is also improved. We had to do a lot of hard work in communicating our intentions to our members; where we are taking the Fund and



keeping them abreast about some of the developments. We are a product of statute, a defined benefit fund, so we had to check in with the minister from time to time to make sure that we still aligned on these processes."

Fund Independence

But he said while it was important to align with the minister and government, the Board's independence had to be respected. "But we had to be mindful that government is the point of last resort in a defined benefit fund. If we mess up, government had to come to the party. And therefore, it called for an interdependent relationship built on trust and alignment of where to take the Fund."

Setting Up Structures

"Structure follows strategy, and once we had defined for ourselves the new strategy of the Fund, we had to populate it with the requisite skills set in a totally revamped structure that could respond to some of the strategic requirements we wanted to pursue. We were lucky enough to attract some good skills into our fold there and obviously, at the end of the day, it all boils down to leadership. We had a very good CEO in place, and recruited some very astute executive managers throughout the processes. The system was a bit archaic. We also had to do adjustments to the benefit administration system to make sure it is agile and responsive."

Transformation

Kuscus said the Fund was firmly committed to transformation and played a role, but had to be careful not to become an alternative government. "Pension funds by nature have a long-term time horizon. Some of the economic transformation initiatives in the country were infrastructure development. There were major backlogs, legacy issues that we needed to fix, and these needed capital. But we, on the Board, also realised that we couldn't become the alternative government. But we needed to support the

policy stance of the government's transformation initiatives."

Excellent Service

Besides the broader economic and transformation impact that the Fund had on South Africa, Kuscus emphasised that it was important not to lose focus on the core service to members. "To the extent that we could use our leverage to change the environment so that even our pensioners when they retire, retire in a space which is much more liveable and much more convenient, and their money does not just fund the shopping malls in Sandton and so on. GEPF has got a very proud legacy because first and foremost, it earned the trust of its members. I know many funds that went into liquidation, curatorships, and all those sorts of things. The investment strategy is such that the value of pensioners' money is not eroded through one of our big enemies called inflation."

Legacy

Having turned 70, Kuscus looks back with pride at his time of service, but wants the GEPF to continue doing more for its stakeholders. "I'm now 70 years of age and the GEPF is celebrating 30 years. My biggest wish is 30 years from now, when I sit on my stoep there at Hartbeespoort, and look over the dam; that I will still get good reports about a GEPF that retained the trust of its members. A GEPF that not only fashioned itself as a pension fund, but an institution that can be a catalyst for change in this country. I would be very happy with the GEPF if the type of governance that prevails is such that it remains as independent as possible and is not influenced by external agendas. It's so easy to be captured by external agendas and so on. But foremost, in the minds of trustees should be that this is the members' money. We are merely



> Structure follows strategy, and once we had defined for ourselves the new strategy of the Fund, we had to populate it with the requisite skills set.

trustees; we're holding it in trust for generations to come. And what I would also like to see is an acceleration of the GEPF's impact on some of its developmental agenda."

Risk Averse?

In the midst of talking about the future of the Fund, Kuscus also ventured an opinion that the GEPF could be bolder. "I don't propagate recklessness, but from time to time I get a sense that we are a little bit too risk averse. I just would like the GEPF to be a little bit more, not aggressive, but engaging with the issues of the day. And make sure they seize the opportunities – that with the proper framework they can accelerate some of the types of things that can make for better living conditions for people in the country."

GEPF Reclaiming Assets

One of the most interesting and consequential episodes in his life as Board chairperson followed a speech he gave at the JSE about GEPF asserting its control and mandate over the investing arm, PIC. "I said the GEPF wants to reclaim its position as the asset owner. All the assets. Which means the assets must be registered in our name and not in the name of a service provider. That caused (a stir).

"Because everybody was so used to the idea that, you know, it's a PIC asset, and all of a sudden, there was this major discovery." He added that things heated up after an article was published in the media on the issue. "And that caused a lot of ructions between ourselves and the PIC, because by that time we were still also going through the teething problems of implementing the new investment mandate. This meant that they couldn't just go to an AGM without checking with us first about how they were going to vote there. They never used to bother to do those things."

Mending Differences

Kuscus said the issue about the relationship between the two organisations came to a head once when he was on holiday and he was called to a meeting by Manuel, who sounded unhappy.

"I used to play golf at that time and Manuel phoned me and was talking in French (chuckles). You know, talking big French and Cape talk? My first meeting when I came back from holiday was between me, Trevor and the PIC. And we got an earful there. He gave it to us. But it was not about anything else. It was about the principle; that the GEPF is the owner of the asset."

Illustrating the point, Kuscus gave an example of an owner renting out a property. "I can't hire out my house to you. I mean, I give you as the estate agency to say look after my house; make sure of the maintenance, collect every month and so on. And then on a good day, I go to my house and the walls are painted purple. You removed my favourite orange tree and put up a palm tree. Now this is perhaps a weird analogy, but this is what it boils down to. When you're the owner of the house, you give the estate agent clear instructions: "You don't put pictures on my wall.

You don't do this, you don't do that; and this is the monthly rent that I want, and this is the escalation rate, period of time, etc. We just wanted to follow common sense, but obviously it didn't go down too well. But, you know, I walked away there realising that if there's one person you don't cross swords with, it's Trevor Manuel."



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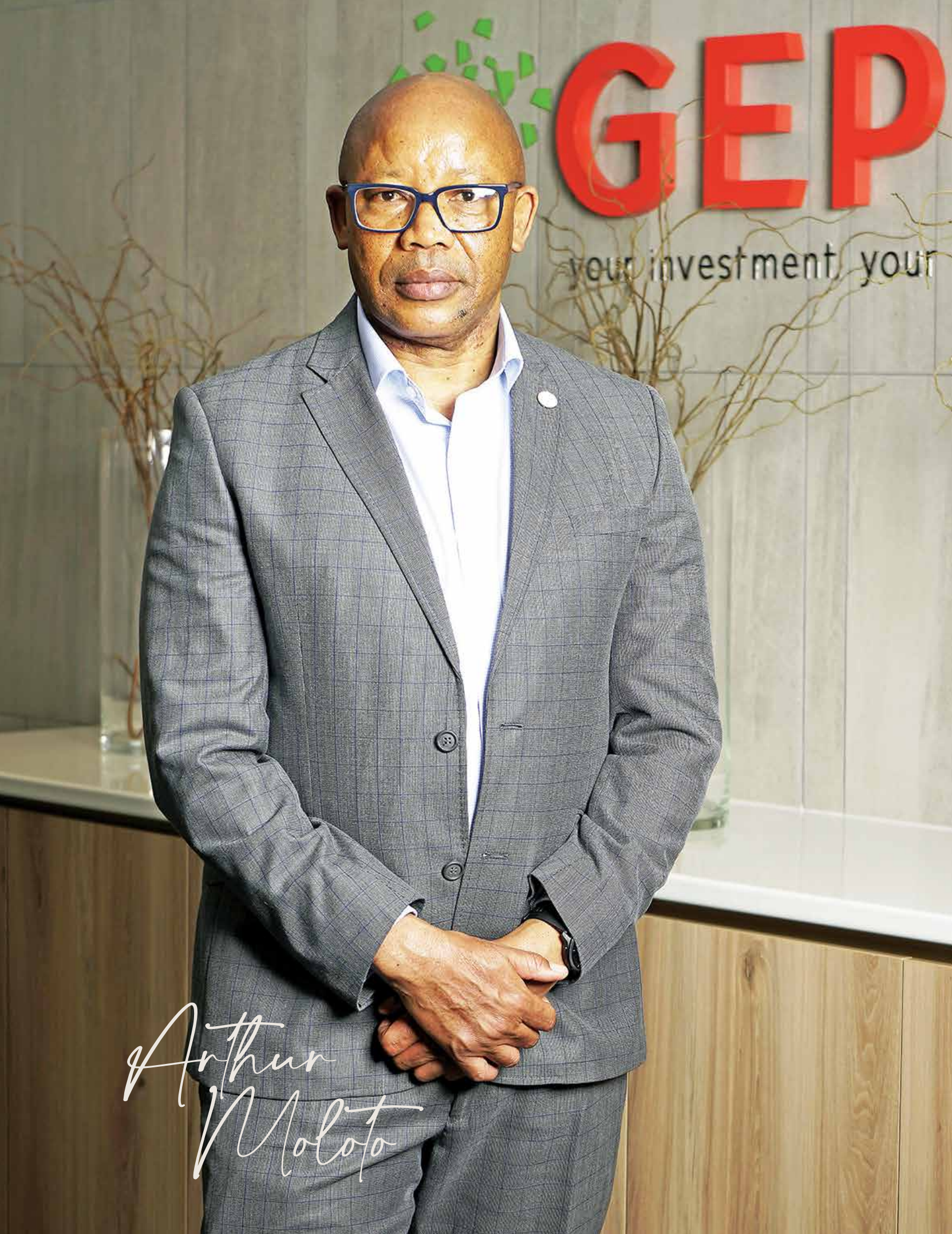
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LESSONS FROM A R13-BILLION WAKE-UP CALL

Arthur Moloto took the chair of the Government Employees Pension Fund just as the AfriSam losses were causing an uproar. That crisis, he says, shaped the rules that still guide how the fund invests public servants' money.

When Arthur Moloto left Parliament in 2009 to chair the Government Employees Pension Fund (GEPF), it was an unusual move. Few MPs had made the leap from the benches to the boardroom of a pension fund.

For Moloto, though, the transition was seamless. He had spent a decade as an MP, the last five years of it – from 2004 – as chairperson of Parliament's finance committee. Both the GEPF and the Public Investment Corporation, which manages the fund's assets, reported to his committee. "I was quite familiar with the broad strategic objectives and roles of the two entities, and even some of the challenges," he says. "So when I got to the GEPF, I knew it – just not at the level of detail." He became the Fund's second chairperson, succeeding Martin Kuscus, who had led the inaugural board of trustees.

The AfriSam debacle

Moloto took the reins as the damage from the 2008 global financial crisis was still being counted. Among the affected, was the PIC's investment in cement maker AfriSam, whose value had been severely eroded. The losses sparked fierce debate

> In my view, it brought balance to our investment returns. If the South African market performs poorly while other parts of the world are doing well, that exposure cushions you.

about the PIC's performance and its approach to unlisted investments.

"When I arrived at the GEPF, I think almost R13 billion could have been pumped into AfriSam, and the impairments were huge," he recalls. "There was a huge uproar about the performance of the PIC around that transaction."

Some blamed the slump in the construction industry. The GEPF saw it differently. Beyond the downturn, Moloto says, the real problem lay in how the deal was structured: the PIC had taken an outsized stake in a single company without the necessary safeguards in place.

"We shouldn't have had such a large exposure, and it was highly leveraged," he says. "The amount of debt in the structure was excessive, and that created many problems." Out of that experience came the GEPF's unlisted investment model. "Its genesis goes back largely to the AfriSam debacle."

The model prescribed the types of investments the PIC could make with GEPF money, built on pillars such as economic and social infrastructure. It also set a prudential limit: any unlisted deal above R2 billion had to come before the GEPF's investment committee for approval.
"The exposure had just been huge. We thought we needed that limit to manage the unlisted model prudently." At the time, the GEPF's portfolio was confined largely to South Africa. The board and management opened talks with the minister of finance about allowing foreign exposure, starting with the rest of the African continent.

"In my view, it brought balance to our investment returns. If the South African market performs poorly while other parts of the world are doing well, that exposure cushions you." The strategic asset allocation that flowed from the investment policy agreed to with the minister, he believes, played a critical role in the Fund's performance.

In 2010, a year after Moloto's arrival, the GEPF launched its responsible investment policy in Soweto. He credits Kuscus with paving the way by making the Fund the first signatory of the United Nations Principles for Responsible Investment.

The policy sent a clear signal to the companies the Fund invested in, and to the asset managers handling its money: environmental, social and governance standards were not optional.
The reasoning was simple. "Our argument then was that, on average, we owned almost 10% of everything listed on the JSE, and therefore it would not be feasible to be offloading shares. We would just be chasing our own tail. Insisting on better standards made far more sense." Moloto says. With a footprint that large, dumping shares in a company every time it ran into trouble was not a realistic option.

Among the most important decisions the GEPF took for its members was the commitment to award pensioners inflation-linked increases.





That made investment performance critical. As a defined benefit fund, the GEPF aimed at the time to keep its funding level above 90%. “If it’s underfunded, it presents many challenges. You are in firefighting mode. As a pensioner, you rely on this income, and inflation, if it’s not kept in check, erodes your buying power. So a fund that commits itself to inflation-linked increases is very important for pensioners.”

Fixing the unlisted model

Looking ahead, Moloto believes the GEPF and the PIC need a frank conversation about the unlisted model, which he says is the source of the PIC’s reputational troubles. “It’s not the shares listed on the JSE, the bonds, the money market or the listed property sector. It’s the unlisted model that has caused huge reputational damage to the PIC.”

He wants the two institutions to interrogate every stage of the process: how deals are sourced, how rigorous the due diligence is and, crucially, whether there is any undue influence between due diligence and approval.

Oversight cannot stop once the money is out the door, he adds. “Whether it’s in the agricultural sector or the health sector, once we fund you, we need to follow up, protect our money and make sure that we extract value from it. We can’t be passive investors.”

A constitutional imperative

Moloto holds strong views on transformation and black economic empowerment, which he regards as constitutional imperatives.



> It's not the shares listed on the JSE, the bonds, the money market or the listed property sector. It's the unlisted model that has caused huge reputational damage to the PIC.

"As South Africans, we are bound by one Constitution. We can't pick and choose clauses because they favour us at that moment, while downplaying others because of the political views we hold. The Constitution is very clear that there are historical injustices that need to be corrected, and that the state must take progressive steps towards substantive equality – which is different from ordinary equality."

The GEPF, he argues, must be seen to be working towards that goal – and ducking it would be dangerously short-sighted. "The pains of that short-termism will visit you after many years. This generation will pass, but other generations will have to confront those issues, and they might confront them in a way that brings instability."

That conviction runs through Moloto's account of his years in the chair. Reining in risky unlisted deals, looking beyond South Africa's borders, holding investee companies to ESG standards and protecting pensioners against inflation – each decision he describes was taken with the next generation in mind as much as the present one.

"You want to take decisions now for the progressive realisation of substantive equality," he says. "I think that's the right thing to do." For a fund whose promises to public servants stretch across decades, it is a principle that reaches well beyond transformation: the decisions that matter most are the ones taken today for those who come tomorrow.




Dr Renosi
Mokate

THE STEADY HAND

When **Dr Renosi Mokate** became chair of the GEPF in 2012, its top executive was suspended and its Board was divided. She steadied the ship, kept the Fund's eyes on the long term – and has a warning about the risk she believes it still carries.

Dr Renosi Mokate did not walk into a quiet office. When she took her seat as chairperson of the Government Employees Pension Fund in April 2012, the Fund had no permanent leader. Its Principal Executive Officer (PEO) had been suspended, someone was acting in his place, and a disciplinary process against him was under way – one that had split the GEPF's Board.

"One of my first tasks was really to stabilise the institution," she recalls. "I had to get through the process that had already been begun by the previous chair, and then appoint a new principal executive officer. The institution, as you can imagine, with its PEO not being in place, having been suspended, was in a state of instability. Of course, there were a lot of divisions in the board at that time."

Her brief was clear: steady the operations and get the Board working again, "so that it could focus on its governance and fiduciary responsibilities". It called for a calm hand, and Mokate had one. Born in Munsieville, Krugersdorp, she is one of South Africa's most decorated public servants, with a career that has taken her from Deputy Governor of the South African Reserve Bank to executive director of the World Bank Group and chairperson of the Presidential Economic Advisory Council. First appointed to the GEPF by then deputy finance minister Nhlanhla Nene, she was reappointed in May 2018 and served two terms as chair.





Playing the long game

The economy offered little comfort. South Africa's growth was sluggish, but Mokate says the GEPF never let short-term gloom knock it off course. "The way that the mandate of the GEPF is structured is that over 90% of its investments are listed. As a huge fund that is listed, you always have to look at the long term and not the short term. If you move significant amounts of investments on the JSE as a Fund of our size, that could come back to have a negative impact on you."

"So you have to take the long-term view and understand that there will be periods of low growth, and that you should not react." That, she says, is what separates a fund of the GEPF's size from individuals investing smaller amounts … although we should not necessarily be jumping in and out of investments either.
"A fund the size of the GEPF always takes the long-term view, and then reflects on how the short-term cyclical movements might affect that long-term view."



> The way that the mandate of the GEPF is structured is that over 90% of its investments are listed. As a huge fund that is listed, you always have to look at the long term and not the short term.



Money with a conscience

The GEPF had signed the United Nations Principles for Responsible Investment. Under Mokate, the board set out to give that signature real meaning by driving its environmental, social and governance programmes. “It was very important for us, as the largest fund on the continent, and the only one on the continent actually sitting on the board of the UN PRI, to ensure that we demonstrated our commitment to the incorporation of environmental, social and governance issues in our investment decisions.”

That meant strengthening the Fund’s ESG policy and making sure it had the skills in-house to guide its investment agent, the Public Investment Corporation, “to invest our funds in a manner that was socially responsible”. In practice, investments were screened. Did the company follow best-practice environmental programmes? Did it respect human rights and steer clear of child labour? Did it adhere to the King Principles on corporate governance?

For Mokate, the “S” in ESG goes beyond avoiding harm. “Good social practices also include being inclusive from an economic point of view. So investments that contribute to financial inclusion, for example, or promote small and medium enterprises, or promote women-owned enterprises, would also have been another way of looking at whether or not you are doing the right thing from an ESG point of view.”

Despite widespread calls for black economic empowerment to be scrapped and transformation policy reviewed, Mokate makes no apology for the GEPF’s record. The Fund, she says, is proud of its part in building a black asset management sector.

“There are many black asset managers that came through that process and are now very successful. As part of the responsible investment policy, the PIC was mandated to have an asset management incubation programme, which continues.” The answer, she argues, is not to scrap BEE but to fix

how it works: to make sure the governance and decision-making behind it genuinely advance transformation by building new black-owned and women-owned companies, rather than simply buying into existing ones.

> There are many black asset managers that came through that process and are now very successful.

Too many eggs, two baskets

Looking ahead, Mokate offers a reflection that she admits may ruffle feathers: the GEPF should rethink its operating model. "The GEPF is a huge fund, and it's got a single agent responsible for investing its funds, and a single agent responsible for the administration of its funds. How do you de-risk this concentration of dependence on these two agencies? That's one of the things going forward that I think needs to be reflected on."

That problems persist even after the Mpati Commission and the implementation of its recommendations, she says, calls for deeper introspection. "What that tells me is what I've just said about looking at the operating model, and reconsidering that kind of concentration risk, and how it's perceived – how the PIC is perceived, how the funds of the GEPF are perceived."

"This is probably going to be considered controversial, but those are my reflections when I look at my time at the GEPF, and as I observe the GEPF from outside, asking myself why these issues persist. When I was there, we started the conversation of 'Why do these issues persist, and does this operating model work?' And I believe that continues to be a conversation within the GEPF." Some argue the problems sit at the margins and have done the fund no real harm. Mokate is not persuaded. "Some people might say, 'Well, it hasn't really impacted the fund overall. These are things that are happening at the margins.' But these are pensioners' monies."

A fund society looks up to

For a chair who arrived to find the institution in turmoil, Mokate's hopes for the GEPF begin with the basics. "My hope for the GEPF is that it stays strong, so that it forever is able to pay the pensions and look after members. That's my hope, first and foremost."

Beyond that, she wants the Fund to be an exemplar: "pursuing good governance practices, being an ethical organisation, and being an organisation that society looks up to". She wants the wider family of entities around it – the PIC and the Government Pensions Administration Agency – to "really step up and become models of good governance", and the Fund's investments, in infrastructure for example, to lift growth and help create "confidence in the South African economy".

It is the same test she applied when she walked into a divided boardroom in 2012: steady the institution, keep the long view, and never forget whose money it is.



Frans Baleni

NOTHING ABOUT YOU WITHOUT YOU

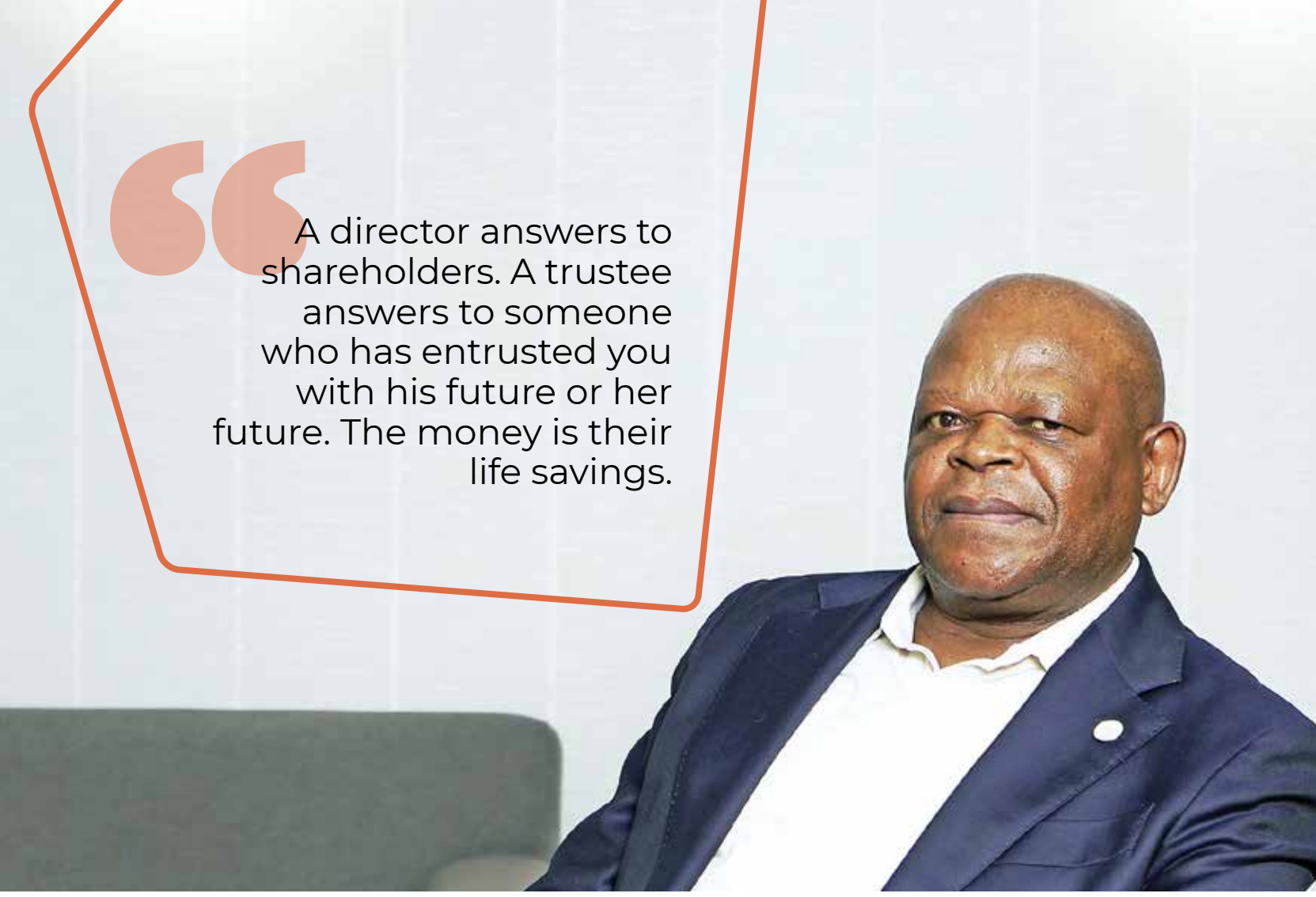
In 1987 ***Frans Baleni*** went on strike so that black mineworkers could have a pension. Today he chairs the largest pension fund in Africa, and he treats every rand in it as a promise made to someone else.

When Frans Baleni went underground on a gold mine in the 1980s, the men working beside him had nothing to retire on. “There was no retirement fund for black workers at all,” he says. “Only white workers had a pension fund.”

In 1987 the miners downed tools for 21 days. What they wanted was something many South Africans took for granted: the right to grow old with a little bit of money behind them. “We went on strike to fight for a retirement fund.”

The fund they fought for is now the Mineworkers Provident Fund, and Baleni later oversaw it as General Secretary of the National Union of Mineworkers. The strike left a mark on him that has not faded. “I became very emotionally attached to issues of retirement,” he says.

Since December 2024 that attachment has had a far larger object. Baleni now chairs the Board of Trustees of the Government Employees Pension Fund, which holds the retirement savings of teachers, nurses, police officers and other public servants. Its 1,8 million members make it the largest pension fund on the continent. The man who went on strike for a pension now guards the biggest one in Africa.



Baleni came to the GEPF by way of other boardrooms, including the Development Bank of Southern Africa. The invitation, as he recalls it, was practical. He had overseen a pension fund. He understood development finance. And he was no longer in full-time employment, so he would "have enough time to pay attention to other people's money".

He draws a sharp line between that job and sitting on a company board. "As a trustee, I normally say it is an assignment which is more than a board of directors. A director answers to shareholders. A trustee answers to someone who "has entrusted you with his future or her future. The money is "their life savings".

To explain what is at stake, he tells a story he heard from two Zimbabweans. He had asked them how their country's pensioners lost everything during the crisis there. One said his parents had both been professional teachers. Their retirement savings, "one day, overnight, became zero". "And I said, we must never experience that thing. So being a trustee means you are more vigilant. You are representing the interests of others. It's not yours."

Surviving the pressure on defined benefit funds

Asked what the fund's 30th birthday means to him, Baleni begins with something that did not happen. Over those years, state-owned enterprises and private employers converted one defined benefit fund after another to defined contribution. "The GEPF survived that onslaught," he says.

For him, the difference is about who carries the risk. “In defined benefit, the employer takes the risk if anything goes wrong financially and economically. Whereas in a DC fund, as a contributor or as a pensioner, you take the risk.”

He makes it personal. If Frans Baleni joins government and is due to retire at 60, “my retirement fund is guaranteed”. If the fund ever fell short, National Treasury would cover the gap. It has never happened. Asked for the GEPF’s greatest achievement in 30 years, he answers simply. “The fact that the GEPF has performed so well, and there’s never been a shortfall – that’s good news. Investment returns have carried the fund so well that the fund remains very solid”.

The board he inherited was a different matter. It has 16 trustees, each with an alternate who also sits on committees: “a total of 32”, far larger than any board he had served on. And when he arrived, no committee could decide anything on its own. “All decisions had to be taken at board level. If an executive had to travel abroad, or a staff member needed to do due diligence, he must wait for board approval”. His first reform was to delegate authority to the committees and the executives.

Checks and balances

Baleni took office after the Mpati Commission of Inquiry into the Public Investment Corporation, which manages most of the GEPF’s money. He reads its lesson in one phrase: “There must always be checks and balances.” What the Madlanga Commission has heard shows what happens without them.

Under his board, the PIC now reports more regularly, and the GEPF trustees no longer take its reports on trust. “We don’t just assume that they are doing their work and the reports are right. Sometimes a report goes back. “We say, ‘But your IRR doesn’t make sense. How were these numbers calculated? Go back and do better work.’”

The discipline runs both ways. The GEPF does not use its weight as the owner of the money to give orders. “We never assume that because it is the GEPF’s money, we can go to the PIC and say, ‘do this’.” They have to follow a mandate. “We give them a mandate for a particular period of time, and they must implement.” On the commission’s recommendations, he gives a scorecard: the PIC has implemented 95%, and 4% sits with law enforcement agencies. The last 1% is government’s to settle.

Outreach engagements

As part of administrative checks and balances, some Saturdays, Baleni goes out to the various provinces for the fund’s outreach programme. Pensioners, working members and beneficiaries come to update their details and hear what is happening with their money. They also tell him what is wrong.

The complaints are consistent. Death and funeral benefits are paid late. Calls to the call centre and emails go unanswered. Pensioners hear about their annual increase only once it has been paid, when they want to know in advance.

> “There must always be checks and balances.

> We should be partnering, and not just go carrying a bowl to the developed countries. If we do have to carry that bowl, we must have skin in the game.



One thing he saw for himself. Visiting the offices where members are served, he found people waiting in queues for hours, among them newly bereaved widows. The fund set up a separate queue for them. “These people are emotionally damaged because they have gone through a death. How you deal with them, you also have to have a bit of empathy.”

The older wound is unclaimed benefits, which still run to hundreds of millions. Much of that money belongs to people from the former Bantustans, whose records were never as accurate as the Fund’s own. The numbers are falling, but he is not satisfied. “We’re still not happy to be sitting with millions that someone deserves to have.”

His fixes are institutional. He wants a modern system that gives members information in real time; he still gets frustrated calls and WhatsApp messages from people waiting for their money. He wants the Government Pensions Administration Agency, which runs the Fund’s administration, brought directly under the GEPF so that the fund “can take full accountability”.

Skin in the game

With 11.8 million South Africans unemployed, by his count, the health of the Fund cannot be separated from the health of the economy. “If our economy is not performing, it means that the Fund is likely not to perform well.”

His answer is a direct investment vehicle that would invest in infrastructure on a greater scale. He is quick to say it is no move against the PIC. Asked whether the Fund will recall assets, he replies: “Not at all. We’re saying that the cake is just too big.” The platform would sit alongside the PIC and the fund’s other asset managers, “just an addition”.

He looks beyond South Africa. Pension funds across the continent see the GEPF “as a big brother or big sister”. The message from them is that Africa must stop waiting on others. “We should be partnering, and not just go carrying a bowl to the developed countries. If we do have to carry that bowl, we must have skin in the game.”

None of this, he insists, is charity. “This is not grant money,” he says. “What we do has to give us returns.” But a fund this large must take some risks others will not. Commercial banks only arrive once a project is bankable, so the GEPF will set money aside to prepare projects. “If I give you a 5 billion rand cheque and say, ‘Give me a bankable project,’ you are going to struggle.”

Another 30 years

For members close to retirement and tempted to take their money elsewhere, Baleni’s pitch is scale. A Fund of 1,8 million members, he argues, earns returns that a smaller fund cannot match. He also promises more for members directly: help with housing, and discounts from big retailers on the strength of the Fund’s buying power. Those plans are still being worked on.

But his strongest argument is not about returns. “Staying with the GEPF, you’ve got a voice. Nothing about you without you. And it’s a bigger family. There’s nothing to lose.” It is a trade unionist’s way of putting it, and it fits a man who first fought for a pension by going on strike. Asked what holds his work together, he does not reach for the fund’s assets or its ranking. “Trust and ethics,” he says.

The miners of 1987 demanded a fund they could trust to be there when they stopped working. Three decades on, Baleni sees his job at the GEPF as keeping that promise for public servants. He is not thinking about the past 30 years. “We are looking forward to another 30 years.”



John Oliphant



THE BOY FROM TUMAHOLE TAUGHT THE GEPF TO OWN ITS FUTURE

Former Government Employees Pension Fund (GEPF) Principal Executive Officer John Oliphant joined the Pension Fund as Head of Investments and Actuarial while he was still in his twenties, and went on to steer it to great heights, despite confronting the monumental challenge of the 2008 global financial crisis. When that crisis rippled through economies across the world, the value of the GEPF's assets fell from about R720 billion to about R690 billion, prompting intense introspection and lengthy conversations about strategies for economic recovery.

Oliphant is remembered as a key architect of the drive to embed environmental, social and governance (ESG) principles within the GEPF, a cause he championed for most of his tenure; first as Head of Investments and later as Principal Executive Officer.

"What is actuarial science?"

The lofty heights of the GEPF's billions were a long way from the young man who, when he set out to register at university, was advised to study actuarial science – and whose immediate response was: what is actuarial science?

Undeterred, Oliphant went on to graduate in actuarial science and mathematical statistics from the University of the Witwatersrand, launching a successful career for the young man from Tumahole in Parys, Free State.

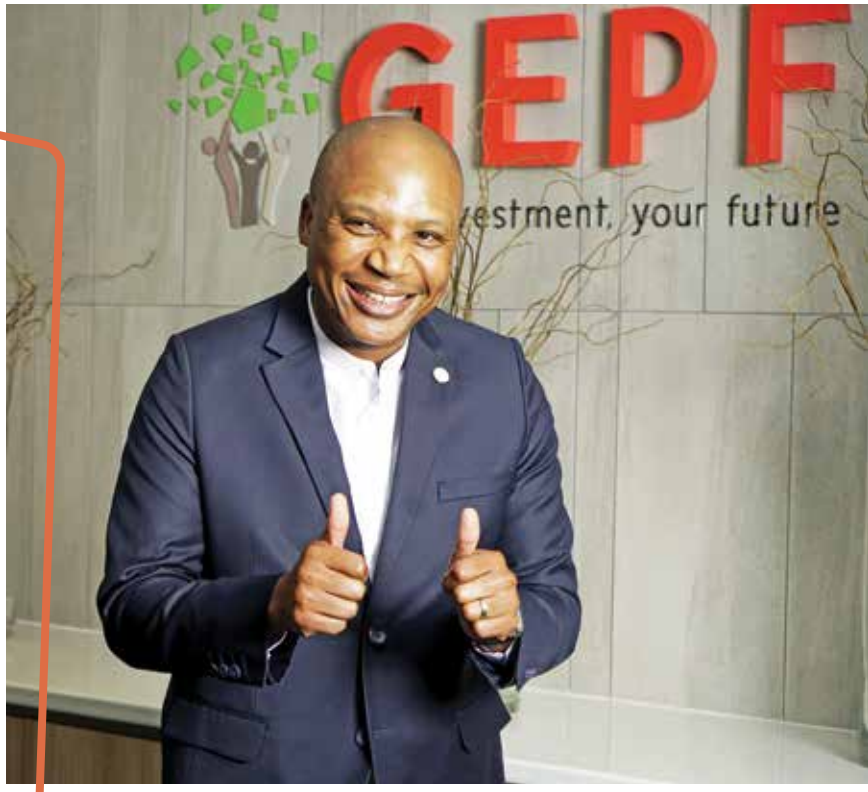
He first worked at Liberty, and later asked to be transferred to Stanlib so he could focus on asset management, which was his true passion. It was there that he excelled, winning numerous awards and thrusting his name into the spotlight. “At the time, I was getting a lot of opportunities, which I was turning down, because I thought that I was still young, I wanted to learn and so on. But then I received the call from the GEPF, and at the time, you can imagine, people only knew the PIC [Public Investment Corporation], so I didn’t actually know what the GEPF was, because it operated in the background. So I got a call, and they said the GEPF is looking for a Head of Investments and Actuarial, and your name keeps coming up. Are you interested in having a conversation? And then I decided to go for the interview. I had a conversation with the then board chairperson, Martin Kuscus.”

He recalls working from “interesting” offices in Hamilton Street downtown Pretoria, in a building that had once served as a temporary hospital during World War II.

“Effectively, as Head of Investments and Actuarial, we had a mandate with the PIC, and in that mandate there were two important documents, called annexures. Annexure A was the original mandate issued by the finance minister (Trevor Manuel) when he was the sole trustee of the GEPF. Annexure B was a more detailed document, which was developed by the GEPF board of trustees and the investment committee it had at the time. I was brought in basically to implement that Annexure B, monitor risks and work closely with the PIC to ensure that the structure of the portfolio reflected the liabilities.”

“When I came in, the assets under management (AUM) of the GEPF were around R680 billion, and they went up to about R720 billion or so. Then the global financial crisis of 2008 hit, and the Fund’s AUM went down to about R690 billion. That’s where we really started reflecting and asking: what is it that we need to change?”

> The GEPF portfolio today, the GEPF is currently one of the biggest investors, through the PIC of course, in the renewable energy programme.



Oliphant says a green shoot to emerge from the global crisis was that government, business and labour all pulled firmly in the same direction. But he also recalls a major milestone that the Fund had achieved two years before the financial crisis, in the field of "responsible investment".

This was in 2006, the year of the GEPF's 10th anniversary. That year, board chairperson Martin Kuscus became one of the founding signatories of the United Nations-backed Principles for Responsible Investment (UNPRI), launched by then UN secretary-general Kofi Annan. Once the GEPF had committed itself to responsible investment, it fell to Oliphant to give substantive effect to that commitment.

"It meant that we needed to unpack what impact we wanted to have on society. What was our role in transformation? Those elements had to be brought into our policies, acknowledging that financial services as an industry was untransformed. We had to decide how we, as a responsible investment player in the South African economy, could contribute positively towards changing that narrative."

Taking the Fund to the people

He added that their policy rested on three key elements of responsible investing: the integration of environmental issues into investment processes, the integration of social issues into investment processes, and the integration of higher standards of governance into the investment process. The responsible investment policy was later launched in March 2010, in Kliptown.

"We could have gone to any township, but at the time I was not prepared to go to Sandton, because I was saying our members – nurses, teachers, policemen – need to feel their Fund. They need to see their Fund, and that's why we felt that it was the most appropriate venue.



This was also to help our colleagues and the service providers of the GEPF, the asset managers, to understand the origins of the GEPF. Managing money while sitting in fancy offices is not good enough; you need to be on the ground, you need to interact. One of the things that we drove, when things started happening in townships, was to say that investments in the township economy, such as shopping malls, were viable investment opportunities that should be pursued. So that was the 2006 to 2009 era of the GEPF, the responsible investment period."

South Africa was not spared the devastating effects of the financial crisis, which originated in the US and had a major impact on economies around the world in 2008. Oliphant recalls the period as one of lively debate and, in fact, one of the high points in relations between business, labour and government. A conference brought the country's major economic players together to draft a national response to the financial crisis. The GEPF came up again and again in those talks, he says, as participants argued that the PIC and the GEPF should do this or that to stimulate the economy. Yet the Fund itself had not been asked for any input.

He said this was a tough discussion for the GEPF itself, because its portfolio had fallen from R720 billion to R690 billion. "We needed to reflect on that and ask: is it going to continue to go down, or do we have an opportunity here to reset?"

The GEPF then undertook research and investigation into how it could reposition itself in a changed context. The focus was on how the Fund could play a more active role in the South African economy while still delivering strong returns for its members.

Building for the missing middle

"That led us to the developmental investment framework policy, which was launched in April 2011. It was the culmination of our research and of our engagement with all the stakeholders, including unions and business, to try to figure out what a much more inclusive role for the GEPF in the South African economy could be." The developmental framework was built on four pillars, the first of which was economic infrastructure – that is, investment in economic infrastructure.

"We said that if you don't invest in economic infrastructure, such as power generation and water infrastructure, all of that will have a negative impact on the portfolio of the GEPF. We've seen it with load shedding, for example: if you don't have enough power in the South African economy, you will not be able to power the economy and generate jobs, growth and so on.

"So the first pillar of our strategy was to say that the GEPF would intentionally invest in economic infrastructure, which included energy, transport and water. The second pillar of that strategy was investment in social infrastructure. In our research, we had found that the GEPF's members at the time – teachers, nurses, policemen – were too poor to participate actively in some economic activities, such as, for example, buying a house. In the past, when I was growing up in a township, a teacher and a nurse had beautiful houses, but as the South African economy opened up, house prices went up."

Steep house prices meant that people such as teachers and nurses could no longer afford homes. At the same time, they were considered too "rich" to qualify for the free government-built houses known as RDP houses.

"So they were just the missing middle. That's where the social infrastructure pillar came in: we said the GEPF would go into the financing of housing and so on. The second part of the

social infrastructure pillar was education. We noticed that the children of teachers and nurses were also the missing middle. They didn't qualify for free tertiary education funding, but at the same time, their parents could not afford to put them through university. And that's when the GEPF said it would invest in education. I think one of the entities that the GEPF bought was Eduloan, which provided loans for education."

Greening the economy

The third pillar of this developmental investment framework was the greening of the economy. "We felt that although South Africa was more of a brown economy, to green it you needed to make investments in the green economy. That's why, if you look at the GEPF portfolio today, the GEPF is currently one of the biggest investors, through the PIC of course, in the renewable energy programme."

The fourth and final pillar was enterprise development and job creation, which was about investing in new entities. Oliphant cited MTN, now a leading telecommunications company, as an example of this kind of private equity opportunity.



"Take a company like MTN, which is in the GEPF portfolio. It started off as a small company, and today it's a multibillion-rand company. Take the privatisation of the telecoms sector. There used to be only Telkom. Today you have Vodacom, which was born out of Telkom. So when we were talking about enterprise development, we were talking about those kinds of opportunities."

These developments – including the responsible investment policy, which incorporated transformation objectives, and the incubation programme for the creation of black-owned asset managers – are among the notable achievements of his tenure. Oliphant said he is less concerned about climate change being a huge risk factor, as the GEPF began factoring it in when it embarked on responsible investment. "The climate change subject is quite interesting, because the GEPF actually had the foresight to become a founding signatory of the PRI, which is the Principles for Responsible Investment. One of the themes that was very clear at the time was the issue of climate change: adaptation, mitigation and the transition. It was very clear that you either look at climate change as a risk, or you see it as an opportunity,



and I think, from the GEPF's policy point of view, they saw it as an opportunity."

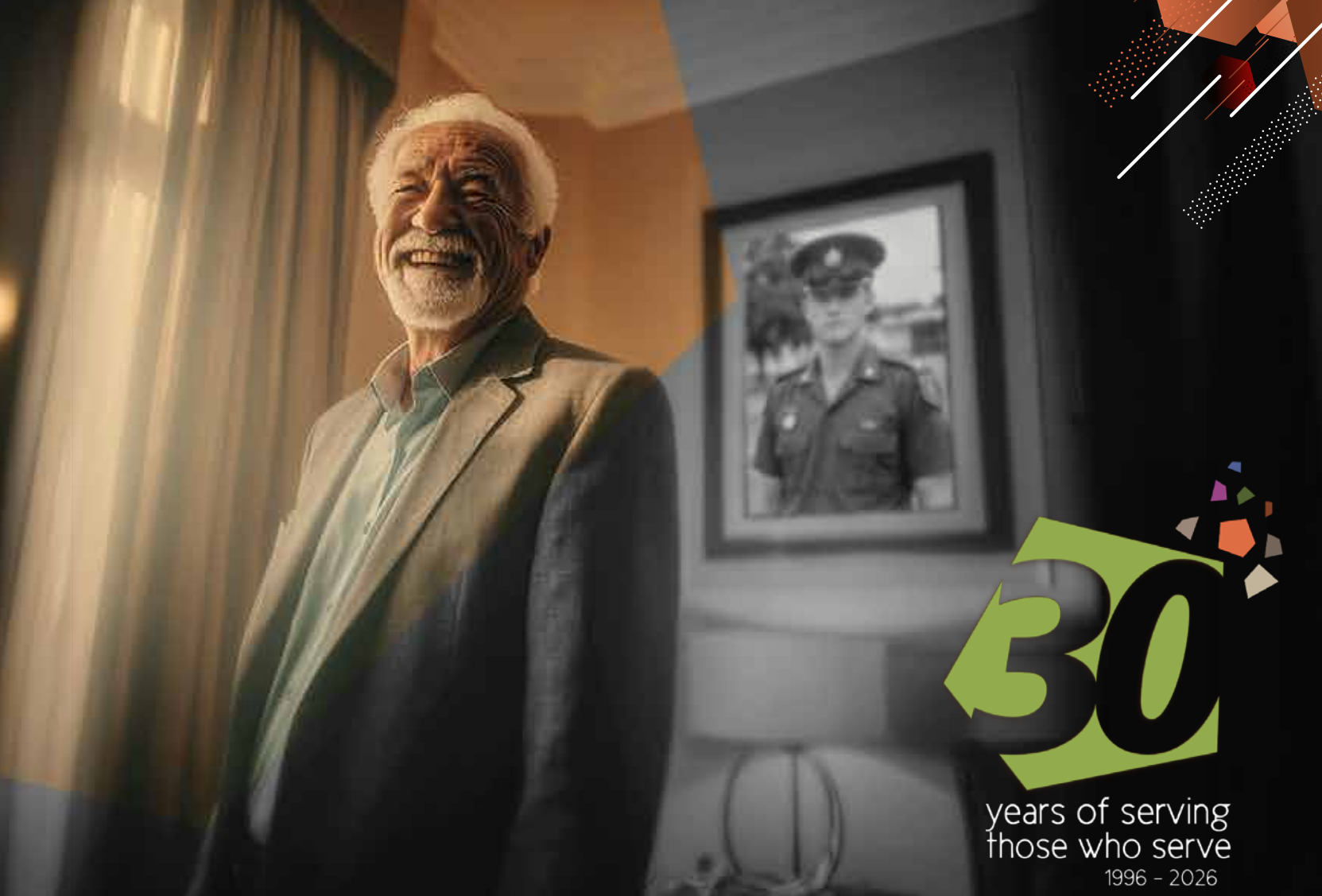
"And I remember that at the time the question I was constantly being asked was: are you going to do negative screening? Should a company that has high emissions of greenhouse gases now prepare for your disinvestment? Are you going to disinvest? Those are the types of questions that I was being asked, and I said no, that's not what we mean by responsible investing. What it means is that we are going to engage with the investee company. If it's emitting a lot, we engage with them and ask: what is your baseline? What are you going to do to reduce your emissions? So we actually become your partner to help you. Look at the renewable energy sector, where the GEPF has a massive portfolio. It's an opportunity to diversify investment returns."

Oliphant was loath to offer advice to the GEPF's current leadership, saying they needed space to find their own way. He did, however, highlight a concept that had helped him and could prove useful to them: "universal ownership". This is about thinking of the economy as interconnected, with the GEPF owning a piece of the economy all round.

"If you take the GEPF, it is a universal owner. When I say universal owner, you have to see yourself as owning a piece of the economy. When you own a piece of the economy, the way that you think about investments changes: you need to think about how the economy is interconnected, and how the impact on one part of your portfolio is connected to the others."

Universal ownership, Oliphant explains, rests on the idea that a fund like the GEPF owns a slice of almost everything in the economy. That makes it important to think carefully before excluding any investment. Suppose the Fund declines to buy Eskom bonds when the utility comes to market to raise money for a new power station. If Eskom then can't generate enough electricity and load shedding follows, the damage spreads to the banks, the mining companies and other businesses. Many of those are also in the GEPF's portfolio.

"Remember, at the height of load shedding, there were certain mining companies that shut down their smelters to reduce demand for energy. What did that do to the revenue of those mining companies? And who owns those mining companies listed on the JSE? It's the GEPF. So that's where the universal owner concept, for example, allows you to think carefully: when you decide on making an investment, you need to understand what the impact of that decision would be on the overall bigger picture."



30
years of serving
those who serve
1996 - 2026

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Adri
van Niekerk

KEEPER OF THE FUND'S MEMORY

She was in the room before the GEPF existed, and for three decades company secretary Adri van Niekerk has kept its Board on the straight and narrow. She reflects on battles won, lessons learnt and the work still to be done.

Adri van Niekerk is the walking encyclopaedia of the Government Employees Pension Fund. She was there before the Fund was formed, she has been there throughout its existence, and the only thing standing between her and a lifetime with the Fund is her retirement, due in 2030.

She knows the Fund's successes, its challenges and its aspirations, having worked in the background through all its years. As company secretary, she is the lifeblood of the institution – the person who ensures that the Board's decision-making complies with the law and rules governing the GEPF. "We've got a very detailed board charter that deals with various aspects, like the committees, the roles and duties of the chairpersons, conflicts of interest, confidentiality and so on. As part of the board charter, we've also got a number of very detailed policies to ensure that we adhere to the principles of good corporate governance. I basically ensure that the Board adheres to these policies, and I advise the Board on compliance with them."

She prepares the agenda for every Board meeting and ensures that all trustees receive the relevant information beforehand. "I need to make sure that there's an agenda, and that the agenda is aligned with our annual board programme, because at certain times of the year certain things must happen. I make sure that all the necessary documents are placed on the agenda, and that they are detailed enough to enable the Board to make informed decisions. The Board makes decisions on the information provided." Like the classic secretary, she is also responsible for travel arrangements for local and international conferences. Her unit also takes care of the training needs of the Board of Trustees, as many of them arrive from government departments, labour organisations and other bodies without a full understanding of the intricacies of a retirement fund of this magnitude.

These are skills she learned on the job. She studied public administration in the early 1990s, but was not sure exactly which area of the field she wanted to pursue. Her career with the Government Service Pension Fund began in 1995 in the chief directorate responsible for functional training in what was then the Department of Finance.

Present at the creation

In 1996, then deputy minister of finance Gill Marcus initiated a discussion forum – the National Retirement Consultative Forum – which brought industry experts together to talk about the retirement landscape in South Africa. "It just so happened that I was roped in to assist with secretarial duties. I was very young at the time, and we were working with the assistance of the United Nations, so I really learnt a lot from that process."

This was one link in the chain of processes that led to the formation of the GEPF. Van Niekerk was then tasked with forming the communications unit. "I just grew into that position. In 2005, when finance minister Trevor Manuel formally appointed the Board, I had quite a big team working for me in what we called the secretariat, and I was the obvious choice to start working for the Board and taking care of its needs."

In 2008, the board decided it needed its own structure. Among other things, it created the positions of Principal Executive Officer, Head of Investments and Head of Legal, and decided it wanted its own Company Secretary. Van Niekerk applied and was appointed. One of the conditions of working under the Principal Executive Officer was that she had to become a member of the pension fund.

"I'm very, very glad that I did that back in 2008, because in my view it's probably one of the best pension funds in the world to belong to. Just look at the quality of the benefits and the fact that they are guaranteed – this pension fund really looks after its members. Think about something like the funeral benefit: it's not a funded benefit, but the GEPF Board decided a few years ago to add it, and two years ago it increased the funeral benefit from R15 000 to R20 000."

Reclaiming the assets

One of her early experiences was watching the GEPF assert control over its investment arm, the Public Investment Corporation. This followed the appointment of the first Board in 2005, after years in which Finance Minister Trevor Manuel had acted as sole trustee. "It was a bit of a rocky relationship to start with. When the Board took over, it was really the first time that the PIC as an organisation had to realise that the GEPF is the client, and that it cannot do what it wants. The first battle the GEPF Board fought during that time, under Martin Kuscus, was to get all the assets registered in the GEPF's name. It was quite a fight for the PIC to let go and change the registration of the assets into the name of the GEPF. "Even now, if you look at some asset registers, it is sometimes reported that the PIC owns 14,3% of Standard Bank when in fact PIC is the state-owned asset manager that holds and manages the 14,3% stake in Standard Bank Group on behalf of the GEPF.

"Once that was clarified the Fund and the asset manager set about crafting a formal investment mandate, a process that took four years. The first investment management agreement between the GEPF and PIC was eventually signed around 2009/10," she said.

Lessons from Mpati

Probably the most difficult episode in the life of the PIC – and consequently the GEPF – was





> I'm very, very glad that I did that back in 2008, because in my view it's probably one of the best pension funds in the world to belong to.

the Mpati Commission, which Van Niekerk lived through and learnt a number of lessons from. What she is most proud of is that there were no findings of wrongdoing against the GEPF.

Chaired by retired Supreme Court of Appeal President Lex Mpati, the commission of inquiry was established to investigate allegations widespread governance failures, corruption and financial impropriety at the PIC.

"Looking at the PIC structure at the time, there was a concentration of power in one or two people, and that became problematic. The same individuals who approved the first recommendation on an investment were part of the whole decision-making process almost up to Board level. So segregation of duties, for me, is very important. I think one of the big things that we are still grappling with as the GEPF and the PIC is building a relationship of trust. One of the Mpati Commission's findings was that the two entities, or their Boards, needed to build or rebuild their relationship. But it's not always easy. We've recently had governance challenges at the PIC again, where the



> A large part of Van Niekerk's responsibility is enforcing good governance – ensuring that both the trustees and the Fund itself adhere to the rules and comply with the law.

whole Board resigned, so it sometimes feels a little like one step forward, two steps back. It is very important to know that there were no findings against the GEPF. Recommendations were made, and those recommendations were all implemented. Many of them had to do with enhancements to the investment management agreement. Those enhancements were all taken into account, and a revised investment management agreement was signed around 2022. The GEPF has now implemented all the recommendations; the one that is ongoing is really the relationship between the two entities. That's not to say it's a bad relationship – it just always needs work."

Ahead of the world on governance

A large part of Van Niekerk's responsibility is enforcing good governance – ensuring that both the trustees and the Fund itself adhere to the rules and comply with the law. She maintains that South Africa is ahead of most of the world when it comes to good governance.

"If you compare us with international codes, South Africa is actually far ahead in governance, and we don't realise it. Only two or three years ago, boards in America were thinking about placing risk management on their agendas as a standing item. Risk management has been part of our discussions at board level for a long time. Take disclosure on remuneration: the majority of international companies still don't disclose it. If you look at how open our companies in South Africa are, and at the amount of information they publish in their integrated reports, and you compare that with the rest of the world, we are really far ahead."

She says the challenge for most organisations is keeping abreast of information technology, including artificial intelligence. "How are boards going to incorporate it into their decision-making, and how will they ensure that they have the relevant expertise to deal with a very complex ICT environment? Very few boards, locally or internationally, actually have that expertise at the moment. So internally, at the GEPF, we have now established an ICT committee, and we will be appointing independent specialists to serve on it."

Flexing the GEPF's muscle

Asked where the GEPF can still improve, Van Niekerk points out that it is a very powerful institution and should be flexing that muscle with the companies and other stakeholders it invests in and works with, on environmental, social and governance issues.



“For me, the GEPF should become a little more vocal on these matters. I think we’ve got a bigger role to play in the South African investment environment. We should more actively engage companies that are unethical or that damage the environment. That’s really the one thing I want to see the GEPF do – start to impact South Africa more positively, because we’ve got the muscle. I think we should start flexing that muscle a bit more, especially as we expand into investments on the African continent. There, too, we should be engaging companies, more specifically on human rights issues.

“In the ESG environment, the social part is often left behind. So I would like the GEPF to focus more on the social part, on human rights issues. If you think about the GEPF, we are in this economy for the long haul. A member who joins the GEPF today at the age of 20 will be a member for 40 years, assuming they retire at 60. If they pass away at 80, there may also be a spouse. So we’re talking about the GEPF having an impact on a person’s life for 60 to 80 years. Where will the planet be 80 years from now? Because the GEPF must still exist 80 years from now.”

Members under pressure

Van Niekerk is conscious that while the Fund’s benefits make a huge difference in members’ lives, many members are also under severe socio-economic strain. “In the South African household, one person looks after approximately seven people. It’s not just two children – it’s the extended family, the grandparents, aunts and so on.”

But she cautions that it will be very difficult to increase benefits without increasing contributions – and members can’t afford to pay more. “It is true that the majority of our members, when they reach retirement, get their pension. But now, with the two-pot system, I think last year we paid R17 billion in two-pot benefits, so people are using it. It’s unfortunate, because in the end it is going to reduce their pension benefits. But it’s also understandable, because people need the money – they need the money now. I suppose it’s about enhancing education for our members, so that people try not to touch their benefits now.

“Ideally, when they retire, they should use their gratuity to invest again. But the majority of members use that gratuity to pay off debt, pay off their house and so on. It’s a difficult situation, because we know our members are indebted; we know our members battle financially.”

BARGAINING FOR CIVIL SERVANTS – A TASK THAT NEVER ENDS

Suspended as Vryheid's junior mayor for inviting black pupils to a school event, ***Frikkie de Bruin*** went on to help build a single public service – and to defend the pension promise at its heart.

Every night in Vryheid, a siren sounded. When it did, black people had to be out of town. For an inquisitive white boy growing up in the small KwaZulu-Natal town under apartheid, the ritual made no sense. Neither did the rule that kept the black school out of joint programmes between the town's schools. "I was always very inquisitive," Frikkie de Bruin recalls. "I always wanted to understand why certain things happen."

Those questions would shape his life. Today De Bruin is general secretary of the Public Service Co-ordinating Bargaining Council (PSCBC), the independent body where the state, as employer, and public sector unions negotiate salaries, conditions of service and benefits. By stabilising relations between the unions and the state, the council has also played an understated role in the story of the Government Employees Pension Fund.

A rebel in Vryheid

His first act of defiance came early. Appointed junior mayor as a young man, he invited black schools to a town schools programme – and was promptly suspended. The episode caused such a stir that Helen Suzman of the then Progressive Federal Party travelled to Vryheid to confront the mayor.

Then came national service, compulsory for young white men. The army wanted him as a parachute jumper. He had other ideas. "I said to my father, I can't go. They don't like me. They want to put me in a parachute with no strings so I fall to the ground."

> ...we realised that the GEPF, at that time, accounted for between eight and 12% of all money transacted in the Johannesburg Stock Exchange (JSE) was somehow directly or indirectly linked to the GEPF...

Frikkie de Bruin



Instead, he joined correctional services, where he found prisons still divided into segregation black and white section. He then made a move many colleagues found baffling: he joined the Police and Prisons Civil Rights Union (Popcru), regarded at the time as a union for black workers.

Popcru gave him a platform to drive transformation in both correctional services and the police. In 1991 the union offered him a post as a full-time shop steward, opening the door to the world of collective bargaining. He rose to become Popcru's chief negotiator, first in the general public service sectoral bargaining council and later in the PSCBC itself. He was part of the negotiations that established the council, and in 2010 became its general secretary – a destination he never imagined when he first reported for duty in a prison.

One public service from many

The democratic era handed him his biggest task. After the adoption of the Constitution in 1996, a single public service had to be forged from the old apartheid administration, which served white employees, and the separate bantustan departments – each with its own salary levels and conditions of service. Everyone had to be lifted to the same standard. The injustice was stark. De Bruin describes two mathematics teachers with identical qualifications, one earning half of what the other did purely because of the colour of his skin. "It created a lot of frustration," he says. "We realised that was one of the first points of transformation we needed to undertake."

The public service "exploded" in size, yet De Bruin counts the way it came together as an achievement too easily overlooked. Government now served the whole population rather than a select few, and a new generation of employees had to learn to work in an environment free of discrimination. He remembers black officers entering the so-called white prisons for the first time. "It was very difficult for them not to feel belittled, not to feel unworthy," he says, "and to stand up and understand that we can do the same work." Stabilising the new system took years of negotiation to bring every area on par and to compensate those who had suffered discrimination. In 1998 the parties signed the pension restructuring agreement, which addressed specific areas of discrimination in retirement benefits.

The defined benefit drawcard

For workers, the crowning moment was holding on to the defined benefit – a pension guaranteed by the fund rather than left to the mercy of markets. "Retaining the defined benefit was very important for the public service," De Bruin says. "It was a major achievement." He also credits the fund's ability to make a profit and reinvest it, keeping members' pensions secure.

He believes even public servants underestimate what they have. The defined benefit, he says, is "one of the drawcards" into the public service: members receive a pension until the day they die, and their spouses continue to receive it afterwards. "I would really hope the defined benefit remains," he says. "That should not change."

The PSCBC's link to the fund is direct. It nominates six of the trustees on the GEPF board, who advocate for the welfare of public servants. De Bruin coordinates those nominations, making sure every nominee is eligible and reputable before the minister appoints the board. He praises the GEPF for keeping stakeholders informed, including about the Public Investment Corporation, which invests and reinvests members' savings.

In his view, the council exists to protect three core needs of the ordinary government worker. The first is the monthly salary that pays the bills and sends the children to school. The second is medical aid, so that workers and their families are cared for when they fall ill. The third, and most important, is the pension – the assurance that "when you go on retirement, you know that you are still secured". Each pillar matters most at a different stage of a career, and the pension comes into its own in the later years.

"The public service is not bloated"

A familiar refrain among commentators is that the public service should be trimmed to shrink the wage bill. De Bruin argues the debate is badly misunderstood. "The public service is not bloated," he says. With around 1.2 million public servants and a population of 50 to 60 million – roughly one public servant for every 50 people, by his estimate – South Africa's ratio is lower than that of many countries.

The real shortage, he says, is on the frontline: teachers, skilled nurses and police officers. Because the administrative workforce is large, critics conclude the whole service is oversized, without seeing the full picture. He believes there is still room to grow the service and improve delivery, and expects numbers to plateau rather than fall sharply. "You're not



> One of the drawcards into the public service: members receive a pension until the day they die, and their spouses continue to receive it afterwards.

managing the fiscus through a reduction," he says. "You manage it based on your expenses." Government's recent early retirement programme shows the trade-offs. The aim was to let long-serving employees on the highest salary notches retire, making way for newer staff appointed at lower levels. Government initially hoped to reach about 30 000 people but had to scale back because of fiscal constraints – and even then, applicants outnumbered the funds available. The cost, De Bruin warns, is "losing a cohort of experience", which is why the unions have pressed for proper succession planning and career-pathing.

Proud as he is of the protection the GEPF offers, De Bruin believes the fund and the PIC could give back more to the people whose savings they manage – starting with housing. Some public servants still live in informal settlements, caught in the "missing middle" – stuck somewhere between qualifying for a home loan and not.

The PSCBC has opened discussions with the GEPF about supporting a proposed government employees housing scheme. "The day I go on pension, I must not only have a pension," he says, "but also a place I can call home." He is confident such a scheme would not endanger the fund, arguing it would carry enough checks and balances to remain equitable and ensure that members contribute.

The squeeze at retirement

Above all, he says, public servants worry about the cost of living. Last year salaries rose by 4% while other costs climbed by 7% to 8%, with electricity tariffs rising and fuel prices going up month after month.

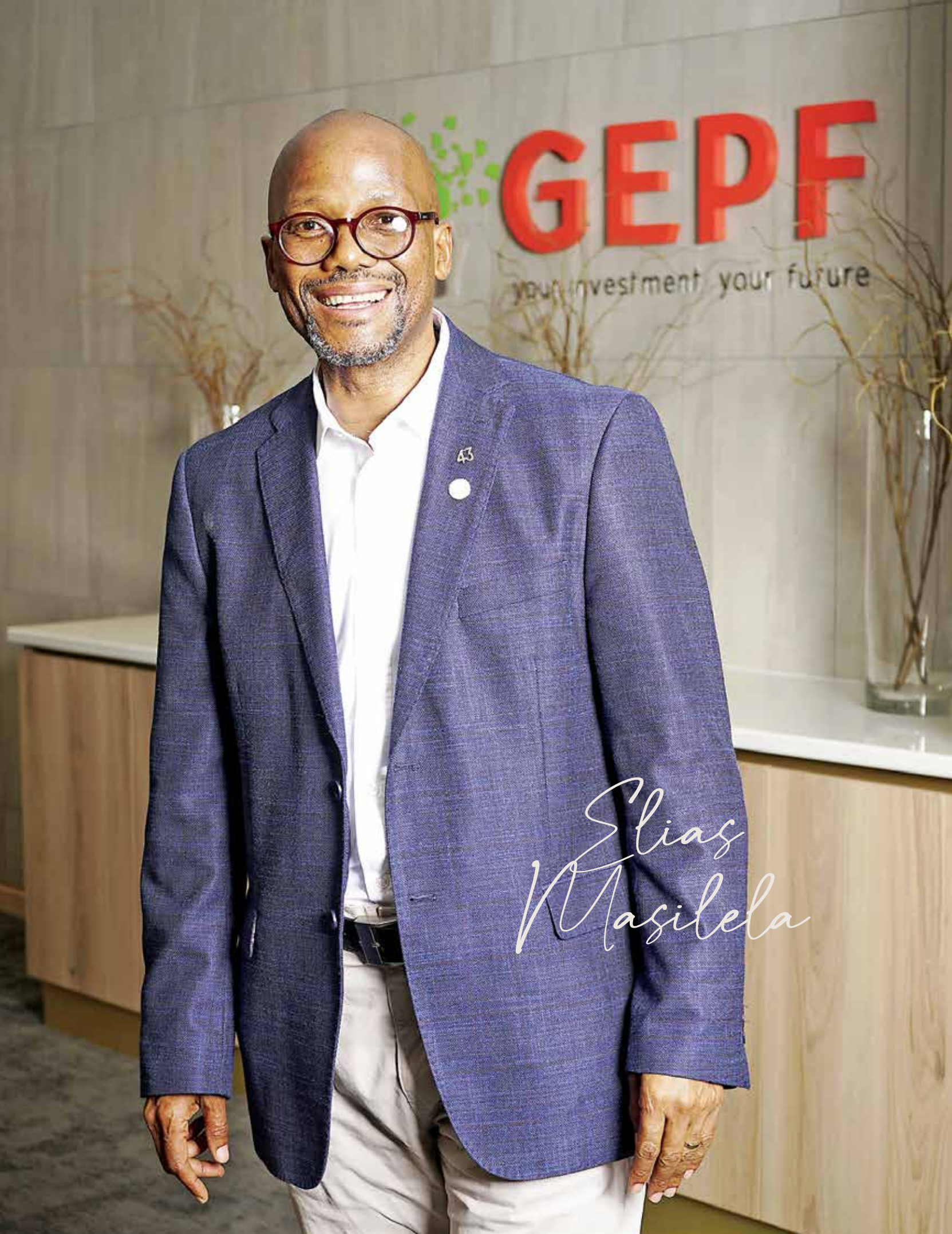
Retirement brings pressures of its own. In a country with high unemployment, many pensioners support large households, often including grandchildren. "When public servants go on pension, it is not for a two-person household," he says. "It will always be difficult for the GEPF to provide 100% for everybody's needs."

Debt deepens the strain. Many workers reach retirement still heavily indebted, then lean on their pension to clear the burden – making the pension appear inadequate. "It's not because the pension is inadequate," De Bruin says. "It's because of the indebtedness." The PSCBC has been working with the GEPF on ways to help members bring their debt down before they retire.

> The day I go on pension, I must not only have a pension, he says, but also a place I can call home.

In many ways, De Bruin is still asking the question that troubled the boy in Vryheid: why should some people be left behind? His answer has been written into agreements, one negotiation at a time – a single pay scale, a guaranteed pension, a seat for workers on the GEPF board. The siren that once emptied his hometown each night has long fallen silent. For the man who refused to accept it, the work of making that promise real – a fair wage, a secure retirement, and a place to call home – is not finished. It simply continues at the bargaining table.


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Elias Masilela

BOTH SIDES OF THE LEDGER

Elias Masilela helped write the rules as a GEPF trustee, then crossed over to the Public Investment Corporation to carry them out. Few people have seen the Fund from both the owner's chair and the manager's desk.

He served first as a GEPF trustee from 2007 and helped to draft the investment mandate the Fund would give to the Public Investment Corporation. Then, in 2011, he became chief executive of the PIC itself, responsible for carrying out the mandate he had helped to write. The owner's conscience and the manager's discipline met in one person.

"I was one of the people that crafted the developmental investment framework, which then became the mandate of the PIC," he says. For a man who had always been more at home in policy than in the markets, the move was a real test. He had spent his career designing frameworks. Now he had to make one work.

The view from the trustee's chair

Before he managed a single rand of GEPF money, Masilela had settled a question he still regards as non-negotiable: whose money is it?

"There's always this confusion in the market that the Government Employees Pension Fund is owned by government," he says. "It is actually not owned by government. It's owned by the members of the Fund. It is funded by government on behalf of the owners of the Fund, who are individuals."

That principle was tested while he was a trustee, when a debate arose over whether government could draw on GEPF money to fund some of its operations. The trustees pushed back.
"We said, this is not public sector money, this is not government money," he recalls. "If the managers of this money think they can buy government bonds because they'll give them the returns they want, and because they'll have the impact they desire for society, it will be voluntary on behalf of GEPF, but not an instruction from government. That for me is sacrosanct."



Government does have a role, and he is precise about what it is. Because the GEPF is a defined benefit fund, the state stands behind the promise made to every member. "The government is making a promise the day you enter its doors," he says. "When you retire, until you die, this is what I promise you, relative to what you would be earning at that point in time. And if the government fails to meet the promise, the taxpayer has to foot the bill, and that becomes the burden of society."

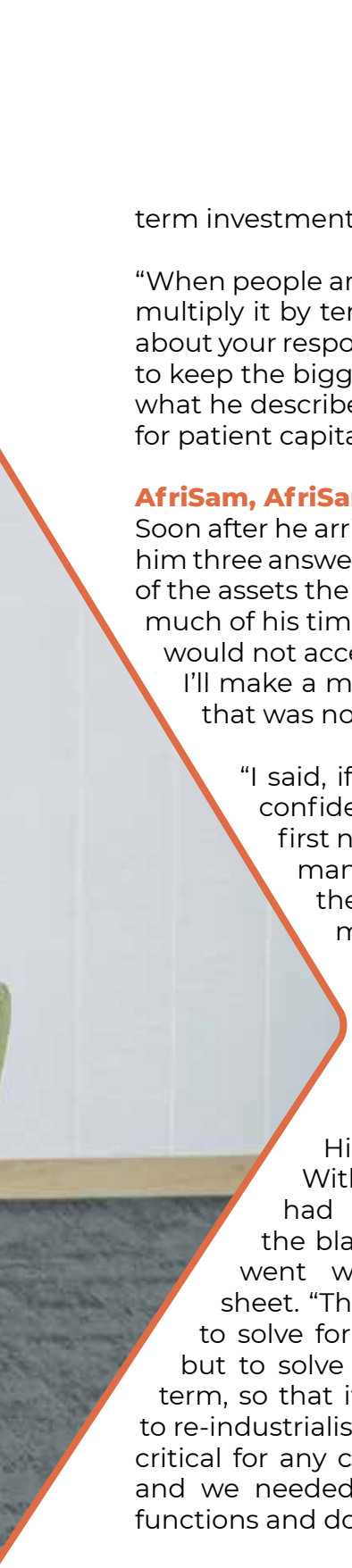
That makes a thriving GEPF a matter of public interest, not only of members' interest. A well-run Fund is one the taxpayer will never be asked to rescue. It is a trustee's argument, and Masilela took it with him when he moved to the PIC. "When the PIC manages the money, it should make sure that it does not think that it's managing the money on behalf of government. It's managing the money on behalf of the individual members."

Planting trees, not chasing quarters

At the PIC, the first thing he set out to change was how far ahead people looked. The framework he had helped draft as a trustee aimed to raise the productivity of the country's economic, social and human capital. None of that happens in a quarter.
"It's understanding that the money I invest today is like planting a tree," he says.
"I may only start realising real returns in seven, ten or 20 years' time. So you no longer invest with the aim of generating returns on a quarterly basis."
The difficulty was that the PIC ran on short cycles. Executives reported every three months, so they thought in three-month horizons. Masilela stopped asking for quarterly reports on long-

term investments and introduced a ten-year investment outlook in their place.

"When people are used to thinking in cycles of 12 months and all of a sudden you come in and multiply it by ten, it's a huge leap in the psyche of how you do business and how you think about your responsibility." Adding: "It was very difficult to introduce." He wanted his executives to keep the bigger picture in view instead of being thrown by the swings of each day, part of what he describes as turning the PIC into a systemic organisation. As a trustee he had asked for patient capital. As chief executive he had to build an institution capable of providing it.



AfriSam, AfriSam and AfriSam

Soon after he arrived, Masilela asked his executives what kept them awake at night. They gave him three answers: AfriSam, AfriSam and AfriSam. The cement company made up less than 1% of the assets the PIC managed, and colleagues asked why the chief executive was giving it so much of his time. His answer came from the owner's side of the table: every cent counts. He would not accept the attitude that "you can lose a million rand and say that's fine, because I'll make a million elsewhere." One visible failure was eroding confidence in the PIC, and that was not the picture he was prepared to show shareholders or the public.

"I said, if we sort out AfriSam and it stops the bleeding, all of a sudden the loss of confidence that we see in the PIC is going to reverse." He took the file home on the first night. "One of the things I said when I joined the PIC was that I'm not an asset manager. I'm not a financial guru. I'm an economist. I understand things within the framework of an economic model, and if it doesn't work in an economic model, then somebody needs to explain to me why it should work elsewhere."

What he found surprised him. "AfriSam was not a cement company. It was a finance structuring company. The bulk of the assets and liabilities sitting on that balance sheet were not those of producing cement. It was a stacking of financial interventions to try and solve a cement problem."

His instruction the next day was simple: make it a cement company again. Within about two years, AfriSam had moved from the red into the black. For Masilela, the lesson went well beyond one balance sheet. "The long term was not trying to solve for an asset in the next year, but to solve for the asset for the long term, so that it produces the basic input to re-industrialising South Africa. Cement is critical for any country that is industrialise, and we needed a cement company that functions and does that efficiently."

Judged by impact, not headlines

Masilela says he never worried about the numbers. "I can see the numbers making headlines in the media. For me, what needs to be making headlines is the impact that you have with the numbers. Are you having

> Masilela asked his executives what kept them awake at night. They gave him three answers: AfriSam, AfriSam and AfriSam.

a positive impact in the environment in which you operate?" He sees impact investing as a discipline rather than a slogan. "Once you've determined your impact and you put it into the public space, that's what you get judged against. If you say your impact is jobs, we will judge you against jobs. If your impact is telephone lines to all parts of the economy, we will judge you on the number of telephone lines."

Inside the institution, the PIC was sometimes called an octopus. With the capital sector it holds, it cannot confine itself to one sector. It has to reach into many, and do well in each. "If it invests in telecommunications, it invests with the aim of improving the quality of communication and the technology that goes in there. If it invests in roads, it has to invest in the best roads, to make sure that the network of roads in the country is efficient." Roads are also where he has regrets. He wishes the PIC had invested in roads "that take us to the deepest of rural areas, to make sure that we industrialise those rural areas and that agriculture becomes the key backbone of this country. Agriculture may be a small contribution to the economy, but the impact it has on the economy is vast."

The people behind the struggle

Masilela's conviction that this money belongs to ordinary people has deep roots. Born in South Africa, he grew up in Eswatini after his parents went into exile in protest against apartheid laws, Bantu education in particular. He attended the Salesian school in Manzini, which he felt offered a far better education than Bantu education, and went on to study economics and statistics at the University of Swaziland.

He has written about those years in a book, 43 Trelawny Park, which tells of the schools, the church and the people who embraced his family during their stay.

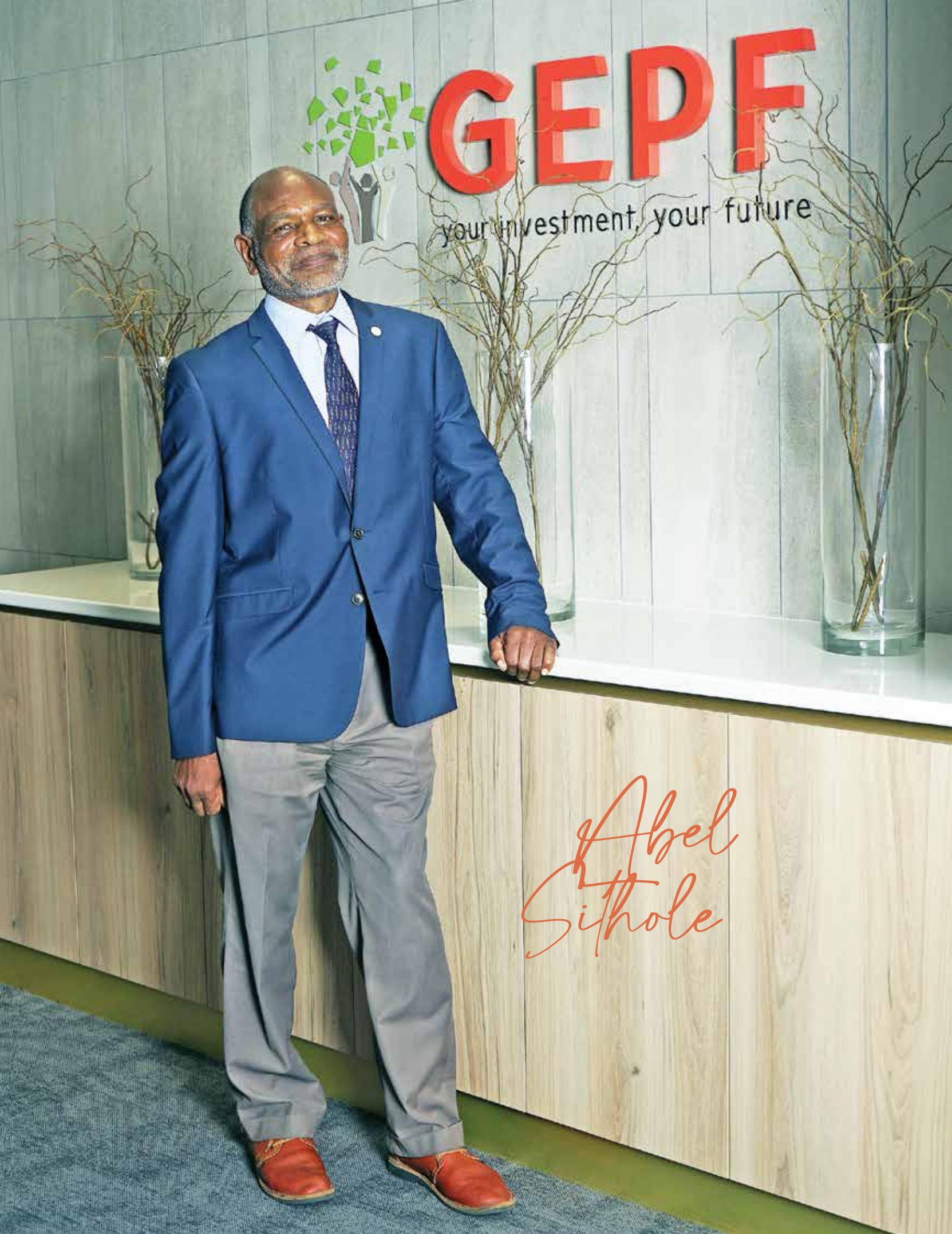
"That book is deliberately not about politics. It's not about the revolution. It's about the people behind the struggle, those who would never be spoken about, those who would never be known: the children, the wives, the husbands who were not in the struggle. These are people who housed the political operatives who did what they did to give us the freedom we have. The story of the ordinary person in the liberation process. That's where my background comes from."

Whose money is it?

It is a fitting place to end, because the GEPF is also a story of ordinary people: the teachers, nurses, police officers and clerks whose savings rarely make the news. As a trustee, Masilela insisted the money belonged to them. As chief executive of the PIC, he made it work for them over decades, not quarters. He saw the Fund from both sides of the ledger. From either side, his answer never changed. It is the members' money.



GEPF executive visit to Azura


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THE CONDUCTOR

From a mathematics classroom to the helm of the GEPF and the PIC, ***Abel Sithole*** was repeatedly called in when institutions were at war with themselves. His conviction: good governance, social impact and solid returns are not rivals.

Before he led the Government Employees Pension Fund and then the Public Investment Corporation, Abel Sithole stood in front of a classroom teaching mathematics. Teaching, he admits, did not quite work out. But the numbers stayed with him, and they would carry him to the top of two of the most important institutions in South Africa's retirement system. Sithole served as Principal Executive Officer of the GEPF from 2015 until May 2020, when he was appointed Chief Executive Officer of the PIC. Along the way he earned a master's degree in international relations from Stellenbosch University and a master's in business administration and futures studies.

His education in pensions began at the insurer Southern Life, in the actuarial division, where he worked on unitising assets and on annuitisation for pension funds, provident funds and retirement annuities. "At that time, we did the annuitisation ourselves," he recalls. "It has become far more sophisticated since." From there he moved into pension and provident fund management, and came away with a grounding in all three pillars of the business: investment, risk and administration. That foundation took him to the Eskom Pension and Provident Fund, a self-administered fund he led as chief executive for more than a decade. He then returned to the insurance industry to run an employee-benefits business that

marketed, sold, administered and invested defined-benefit and defined-contribution funds, and provided risk benefits. “The whole gamut,” as he puts it. Later he headed Metropolitan Asset Managers, overseeing its investments and property portfolio, before stepping into academia at Stellenbosch University’s Institute for Futures Research.

Called in to calm a storm

It was a crisis that brought him to the GEPF. Sithole had been appointed an alternate trustee in 2014, when the Fund was facing challenges following changes to its leadership structure. The challenge was the departure of the Principal Executive Officer, and the acting Principal also left the Fund. “The departure of the principal executive officer was highly contentious,” Sithole says. “It created a lot of difficulties for the organisation, because there was disagreement within the governing structure itself about the whole process.” With administration faltering, the trustees turned to someone who knew how pension funds worked. “I think somebody must have remembered that this guy knows something about running pension funds.”

He was asked to help steady the ship while a permanent appointment was made. Deciding it was time to leave academia, he applied for the post himself. What he found was an institution divided against itself. “It may sound like an overstatement, but they were at each other’s throats. Nobody trusted anybody. The labour component of the Board didn’t trust the employer component, and that spilled over into the staff.”

The damage extended beyond the Fund’s walls. The Public Service Co-ordinating Bargaining Council, which represents the fund’s beneficiaries, had come to regard the GEPF as a rogue institution doing its own thing, Sithole says. Government, through the Department of Public Service and Administration, felt shut out of the Fund’s governance. His task was plain. “Bringing the staff back together, bringing the trustees and the Board together, getting the stakeholders recommitted and engaging positively with the institution. Those were the orders of the day.”

The rebuilding coincided with a testing moment for members. A change to the benefit structure allowed members, for the first time, to take the equivalent of their accumulated benefit in cash, just as rumours spread of tax changes that would hit GEPF pensions.
“That triggered enormous withdrawals,” he says.

Leading the GEPF, Sithole notes, meant answering for institutions he did not run directly: the Government Pensions Administration Agency (GPAA), which administers the fund, and the PIC, which manages its assets.

“You are the conductor, the orchestrator. It’s a very difficult position, because you are held accountable for what happens in those institutions. People don’t remember who the CEO of the GPAA was. It is a privileged position, but it means the buck stops with you.”

Returns and development are not rivals

If one conviction defined his tenure, it was that the Fund never had to choose between financial returns and developmental impact. “It is not a trade-off. Any company you invest in starts with a need to provide a product or a service to society. Inherently, there is both a commercial and a social outcome. If I wasn’t providing a product or a service, nobody would invest in me.”

He points to the upgrade of Gauteng’s freeways, financed through bonds issued by the South African National Roads Agency (SANRAL) and tied to e-tolling. A road, he concedes, may look like a lower-return investment on paper. But at the time he was based in Cape Town and



travelled to Johannesburg often. He felt the difference behind the wheel: the improved roads had cut down his travel time from the airport to Pretoria.

"You might not be getting the return on one side, but the benefit to business from moving goods faster – the efficiency – is enormous. A social benefit is actually a very commercial benefit. If you build good infrastructure, you reduce the cost of doing business and of moving people."

The same logic applies to public transport, he argues. An efficient system would cut workers' commuting costs so sharply that it would amount to a sizeable increase in their disposable income, in effect a pay rise without touching a payslip.

Into the PIC after Mpati

In 2020 Sithole crossed over to the PIC, an institution still reeling from the Commission of Inquiry chaired by retired Supreme Court of Appeal President Lex Mpati. The commission had examined allegations of corruption, political interference, governance failures and irregular investment decisions. The upheaval had cost the PIC its chief executive and its board, and questions lingered over whether its investments served the GEPF and its members, or other agendas.

"People went to the commission to give evidence about whatever they had experienced or believed. The PIC was in a very bad state. Governance was a problem. Management was a problem. Investment was a problem. And it was all in the public domain." What struck him most was who was missing from the hearings. Individuals testified on their own behalf, but the PIC itself had no legal representation. "That was fundamentally part of the real problem. You have many people in the PIC who think only about themselves, not about the entity that is the reason they are there. You had an institution with nobody representing it." For all its troubles, he believes the PIC's failings have at times drawn attention out of proportion to the rest of its record.



Empowerment is not the problem

One of the key issues raised at the Mpati Commission was empowerment. Sithole said unequivocally: there is nothing fundamentally wrong with the concept. Whether an investment succeeds or fails, he argues, has nothing to do with who is behind it.

"Where things have gone wrong, they haven't gone wrong because of the colour of people's skin. In some of those investments, the linchpin was white. When things go wrong, it's not because of skin colour. It's because you should have done better due diligence."

For Sithole, due diligence comes down to a few hard questions. Is the opportunity in a growth sector, or in a sunset industry the future will not need? Is the price right? And can the investors make the business deliver a better return than it does now? "If not," he asks, "where are you going to get the money to repay your loans?"

Bigger than any one person

Sithole's career has been a series of summonses to put institutions back together: a fractured GEPF in 2015, a bruised PIC in 2020. In both, his instinct was the same. Restore trust among the people inside and around the institution, and remind them whom it exists to serve. His complaint about the Mpati hearings, that the PIC had nobody speaking for it, is perhaps the clearest statement of what he believes. An institution that holds the retirement savings of millions of public servants is bigger than any individual within it. As the GEPF marks 30 years, that may be the most useful lesson he leaves behind: for whoever stands at the podium next, the privilege of conducting the orchestra comes with the duty of answering for every note it plays.

> People went to the commission to give evidence about whatever they had experienced or believed. The PIC was in a very bad state.



30
years of serving
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Major General Dries de Wit



FROM SOLDIER TO KEEPER OF THE POT OF GOLD

Major General Dries de Wit came to pensions to right an injustice for former liberation fighters. He stayed for two decades, becoming the longest-serving trustee in the GEPF's history.

When South Africa's armies were merged into one after 1994, Major General Dries de Wit was handed a problem nobody else wanted. Soldiers from the old South African Defence Force (SADF) and the homeland armies had paid into pension funds for years. The fighters of Umkhonto weSizwe (MK) and the Azanian People's Liberation Army (APLA), many of whom had spent years in exile waging a guerrilla war, had nothing.

De Wit, then one of the defence force's most experienced senior officers, was asked to find a way to level the playing field. He knew little about pensions. Three decades later, he is the longest-serving trustee in the history of the Government Employees Pension Fund.

Levelling the field

He started by looking at the private sector, then turned to the GEPF. “I studied all the rules of the GEPF, the benefit rules. I worked with actuaries and very closely with the Ministry of Finance. We came up with a proposal to give the former non-statutory force members the same benefits, so that when they retire with the same service as their colleagues on the same salary level, they get the same benefits.”

It took many rounds of actuarial calculations to determine the liabilities, as well as new legislation and changes to the law governing the GEPF, before the breakthrough came. “In that process I learned the pension world. That’s how I got involved.”

From the Karoo to headquarters

De Wit grew up on a farm in the Karoo and, like all white men of his generation, was conscripted for national service. He trained in the South African Air Force and was selected early in his career for Defence Headquarters, where he worked across the Army, Air Force, Navy and Military Health Service.

“That exposed me to the corporate level, and that’s how I was drawn into the pension fund investigation.” He served 42 years in the military before retiring in 2016.
Like most young recruits, he gave his pension little thought. “When people join the public service, one of the last things they want to know about is pensions. When I joined as an 18-year-old, I was not aware what my pension benefit was, how the formulas worked or how it would serve me at retirement. That’s a huge challenge, even today.”

Two decades on the board

When the GEPF was established on 1 May 1996, the Government Employees Pension Law made the Minister of Finance its interim trustee. For nine years Trevor Manuel was, in effect, the fund’s sole trustee, until he oversaw the setting up of its first Board of Trustees in 2005.

The board’s 16 trustees are split evenly between employer and employee representatives. Some employee trustees are elected directly by members, among them defence force members and pensioners. Soldiers who knew De Wit from his work for the former non-statutory forces urged him to stand. He was elected to the first board and served three terms, until May 2018.

That month he was elected the pensioners’ substitute trustee, and in March 2021 he became the pensioners’ trustee. Along the way he chaired the benefits and administration committee for 12 years, served as vice chairperson of the board and sat on the investment committee for two terms.

Inheriting a healthy fund

De Wit credits Manuel with stabilising and growing the fund. Its funding level stood at about 72% in 1996 and had climbed to 129% by 2006. There was a catch though. The fund’s rules guarantee pensioners an annual increase of at least 75% of the consumer price index, and over those years the minimum had become the norm. “Pensioners were not so happy. They felt they should get at least equal to inflation,” he says. “One of the challenges we found was to deal with that backlog.”

The new Board also had to write many of the policies the fund needed to govern itself.

Why it's called the 'pot of gold'

De Wit counts the GEPF among the country's great treasures. Its nickname, "the pot of gold", comes from the fact that it is one of very few defined benefit funds left in South Africa. Members' benefits are set by a formula and guaranteed for life, and continue to support a surviving spouse and minor children.

Most funds today are defined contribution funds, where what you get out depends on what you put in and how it grows. Draw down too much, and you can run out of money. "Most employers move to defined contribution because they want to move away from risk. The GEPF is defined benefit. That means the employer still carries the risk."

On the investment committee, De Wit took part in difficult debates about unlisted investments, meaning companies and projects not traded on the stock exchange. With assets of about R2.7 trillion, the GEPF is too big for the JSE alone. "The stock exchange can only take so much investment. So we moved into the unlisted space. It carries risk, but if you make the right investments there, you can benefit members a lot."

Some of those deals, made over the past decade, have performed poorly and drawn heavy media scrutiny. "It's like any investment world: some you win, some you lose. I'm not condoning any investment that's not doing well. But it's the ones not doing well that attract the media."

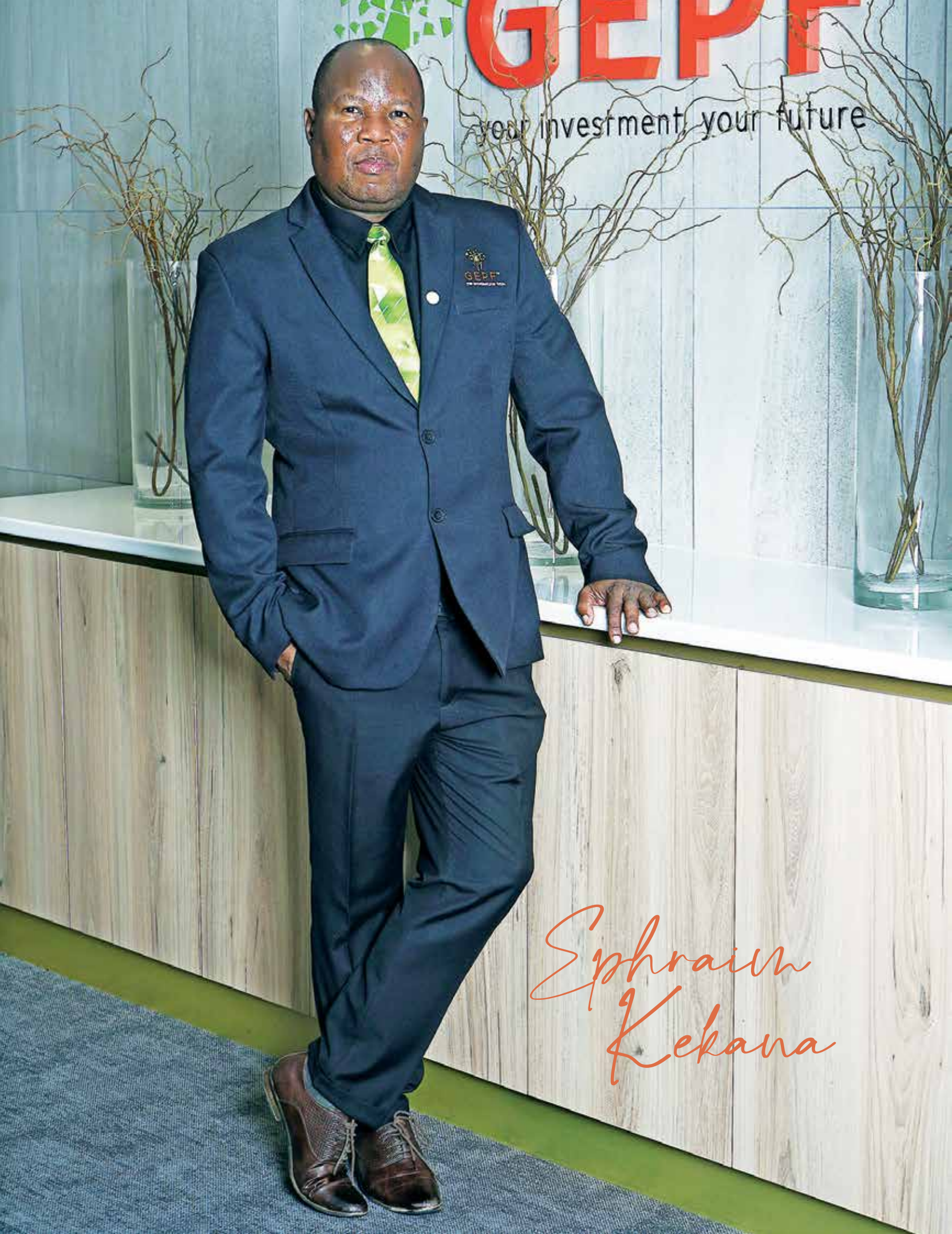


Keeping the gold shining

Asked what the fund must do to keep its promise over the next 30 years, De Wit names three things. First, protect the buying power of pensions. "That means inflation increases. We cannot promise inflation plus 2%, but if you can deliver it, that's obviously what members want." Second, give members who want to save more a way to do so, through a new voluntary savings scheme. Third, he hopes the country's pension funds can help lift economic growth to 4–5% a year.

But he keeps coming back to education. Every day new public servants join the fund knowing little about what it promises them, or how a career move could affect their benefits. "People who are not actuaries need to understand that it's not so difficult," he says.

He learned that the long way. He wore the uniform for about 20 years before he understood his own pension, and he only did so because history handed him someone else's problem to solve. Now he wants to make sure the next 18-year-old does not have to wait that long.



Ephraim Kekana

EVERY RAND HAS AN OWNER

For more than 25 years, ***Ephraim Kekana*** has helped build the GEPF and the agency that serves its members. Today his mission is to make sure nearly two million people understand that the money is theirs – and that spending it early comes at a price.

Ask Ephraim Kekana what worries him most about how people see the Government Pensions Administration Agency, and he does not hesitate. Too many members, he says, believe it is simply an arm of government looking after government money.

"We administer pensions on behalf of government, but the funds we administer are not government's funds. They belong to the members of this pension fund." It is a distinction Kekana, the GPAA's acting chief director for client relations, has spent much of his career drawing. He leads the agency's client relationship management (CRM) programme – the bridge between the GPAA and the people it serves, and increasingly the classroom where members learn what their savings are really for.

The GPAA was born of a 2008 decision by the GEPF board of trustees to separate the fund's administration from its policy-making, in line with international best practice. Formally launched in 2010, the agency administers pensions and benefits on behalf of the GEPF and government, as well as certain National Treasury funds to which members do not contribute. The scale is considerable: more than 1.2 million active members still in employment, about

> Members who dip in repeatedly, as many now do, risk reaching retirement with their savings pot exhausted and no lump sum to fall back on – only a monthly annuity.

600 000 pensioners, and the widows, widowers and orphaned children who receive spouse's and child pensions after a member dies.

Kekana's unit is their front door. It handles enquiries about GEPF and Treasury benefits and works closely with labour unions and employers – the latter being the agency's most important stakeholders, because every claim starts with them before it is handed to the GPAA for processing. But the biggest part of the job, he says, is education: explaining to members the options open to them, and the do's and don'ts.

Levelling the ground

Kekana's public service career began in the early 1990s, when he worked as a state accountant at the Northern Transvaal education offices. With the arrival of democracy in 1994, he was drafted into a capacity-building unit tasked with merging former white and black schools – an early lesson in bringing together systems built for a divided country.

In 1999, eager to "try new things", he answered a newspaper advertisement for a post at the GEPF. At the time it was not a stand-alone fund but a chief directorate within the National Treasury. His new task echoed his old one: helping to fold the pension funds of the old order into a single fund. That meant evaluating each fund in turn, because members had contributed at different rates and their benefits were not equal. "Your five years of service might not have the same value as someone else's five years, because you might have been paying 5% of your salary and he might have been paying 7%," he explains. "We had to level the ground before coming into the new dispensation."

When the GEPF moved to separate administration from policy, anxiety rippled through the staff. Many feared redundancy. Those fears proved unfounded. "We never lost anyone as a result of the split. Everybody was secured." Policy became the business of the fund, while the GPAA turned its full attention to members – "making sure they get what they are supposed to get, and that we pay them correctly".

Two pots, one warning

Some debates took more than a decade to settle. As early as 2010, Kekana recalls, trade unions were pressing for members to have access to their retirement savings. The Covid-19 pandemic, which left some workers stuck at home and others without jobs, made those calls louder still. The eventual result was the two-pot retirement system, which the GPAA rolled out entirely digitally. The appetite has been enormous, with more than 500 000 withdrawals worth billions of rands. The institution, Kekana says, was ready. He is less certain about the members.
"We have been ready, and we are offering savings withdrawals. But deep down, I'm not sure our members are ready for this benefit."

To him, the savings pot is an emergency fund – a last resort for when every other door, from the bank to a loan, has closed. "You don't make a withdrawal and still have everything," he warns. Members who dip in repeatedly, as many now do, risk reaching retirement with their



savings pot exhausted and no lump sum to fall back on – only a monthly annuity.

That is why the CRM's education drive now centres on the two-pot system, and particularly on its tax consequences. Withdrawals are taxed at rates that can reach 38%, Kekana notes, and members who are in arrears with SARS can see the entire amount claimed by the revenue service.

Waiting, by contrast, pays. At retirement, the first R550 000 of a lump sum is tax-free. "It's safer to wait for retirement," he says. Of the R30 000, R40 000 or R50 000 members withdraw today, they may keep only about three-quarters – sometimes less.

Rumours that refuse to die

Every five years or so, an older threat resurfaces: the rumour that the GEPF is going bankrupt. The messengers, Kekana says, are articulate and convincing. Some members, without checking the facts, resign from their jobs simply to cash out their benefits – a decision that cannot be undone.

"Once people start spreading these rumours, our members panic and make irrational decisions. People should be smarter about those things."

From merging the pension funds of a divided past to guiding members through the two-pot era, Kekana's message has barely changed in more than 25 years. A pension fund exists for the future, and that future belongs to its members. The institution's task is to keep that promise; the member's task is not to break it early.

As the GEPF marks 30 years, his work is a reminder that the hardest part of protecting retirement savings is not always investment or administration. Often it is persuading people, one conversation at a time, that the money in their pot is worth waiting for.


Musa
Mabesa



THE STEWARD OF OTHER PEOPLE'S MONEY

He never set out to run the Government Employees Pension Fund. But ***Musa Mabesa,*** the finance professional who became its principal executive officer, has never lost sight of one simple truth: every rand the Fund holds belongs to someone else.

Musa Mabesa knows precisely who the money in the Government Employees Pension Fund belongs to. It belongs to the public servant counting down to retirement, and to the beneficiary who will one day depend on a pension when it matters most. Not to the board of trustees or the staff.

That conviction has shaped his journey at the GEPF, from finance manager in 2011 to Principal Executive Officer (PEO) in November 2020. "We are looking after other people's money. It's not our money," he says. "It belongs to someone who is expecting to retire, or a beneficiary expecting to benefit from the Fund when the time comes. So it is very important that we protect the Fund's interests and members' interests, so that they can achieve their retirement outcomes."

The accidental chief executive

The top job was never part of the plan. A finance professional by training, Mabesa pictured a career that would peak in the chief financial officer's chair. "It was never part of my plan," he admits. "I always saw myself as head of the finance function, a CFO, for my entire career. And here I am, Principal Executive Officer."

He arrived at a pivotal moment in the fund's evolution. For years the GEPF and its administrator, the Government Pensions Administration Agency, had operated as a single entity. The two were physically separated between 2008 and 2010, but the backbone of the support functions, including finance and ICT, remained with the administrator.

Mabesa was brought in to change that. His newly created role was to build a dedicated finance function within the GEPF office, bring it in-house and give the board direct oversight of the Fund's finances. In December 2017 he was promoted to head of corporate services, a broad portfolio spanning finance, legal, compliance, human resources, ICT and supply chain management. Three years later, he took the helm.

Looking back, he sees a common thread. What he finds most rewarding is the point where "my finance background, the responsible nature of finance and the role of the fund converge". Asked what sets the GEPF apart, Mabesa does not hesitate: good governance and stewardship, practised consistently over the years from the boardroom down. Close behind is a culture that puts members first, by serving them, looking after them and keeping them informed. Then there is responsible investment, which he sees as inseparable from the Fund's core duty of preserving members' retirement savings.

"Then there is responsible investment, which he sees as inseparable from the Fund's core duty of preserving members' retirement savings.

Keeping members informed has become more urgent in an age of misinformation. Whenever a poorly performing investment makes headlines, Mabesa says, rumours quickly follow that the Fund, and the savings it holds, is in trouble.

"The most common question is: 'Is my money safe? Will there be anything left when I retire? That comes from what members see in the media, whether it's social media or mainstream media."





> We save for retirement so that we can enjoy it and sustain our lives after we stop working.

The GEPF has responded by strengthening its communication with members through newsletters and booklets that set the record straight.

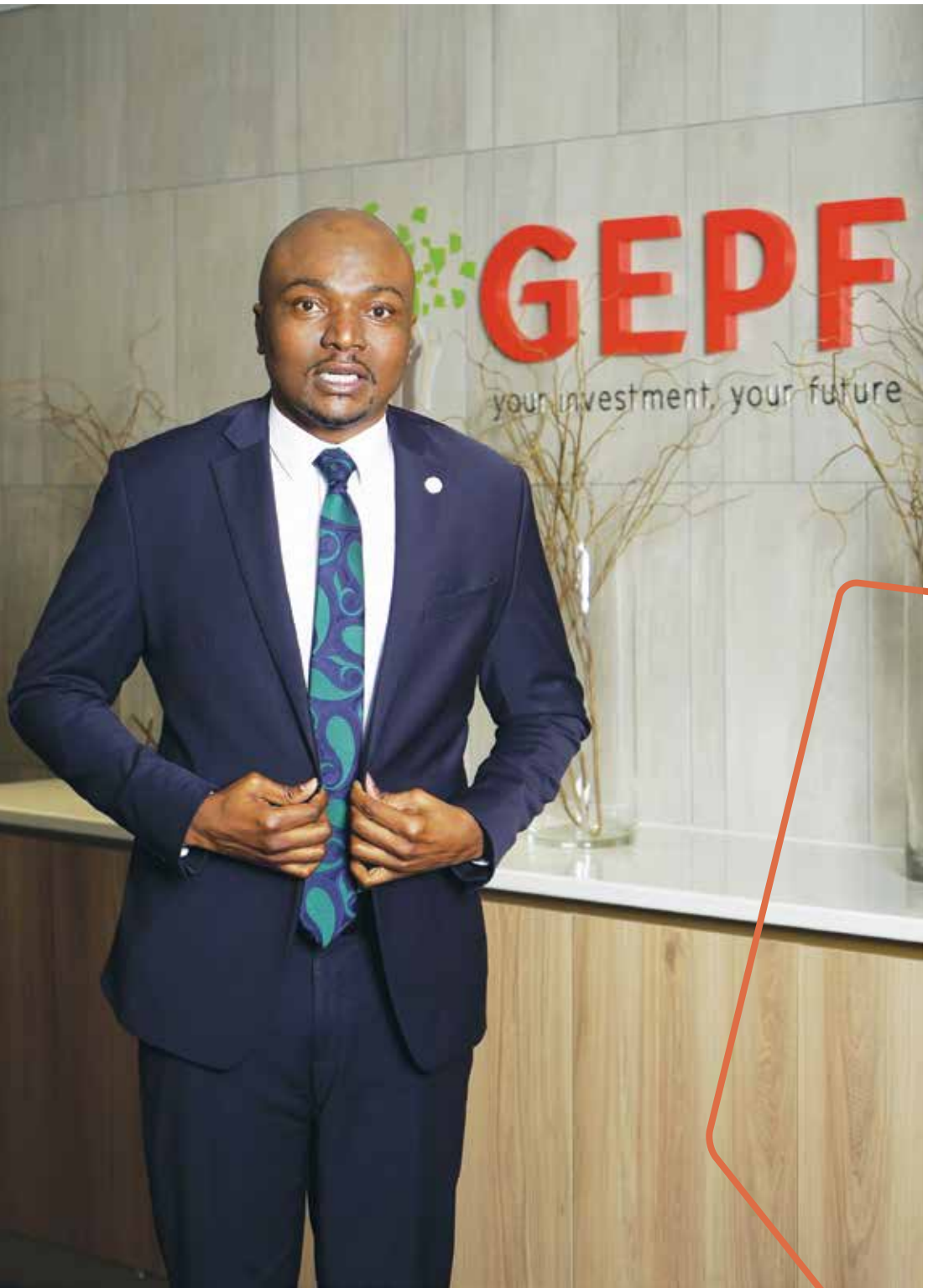
What two-pot revealed

The launch of the two-pot retirement system offered a revealing window into members' lives. Just over 500 000 members, almost half of the fund's active membership, have made use of it. For Mabesa, those numbers point to a deeper issue. Policymakers introduced the legislation to give members access to part of their savings, but the uptake suggests many are facing financial pressures today that outweigh their plans for tomorrow.

"It could be telling us a different story: that members have more pressing financial needs today than they do for retirement. That is not ideal, because we save for retirement so that we can enjoy it and sustain our lives after we stop working."

The answer, he argues, lies in balancing immediate needs against the need to preserve as much as possible for retirement. That makes financial literacy and education essential. The pressures are real. The average GEPF member supports about six people from a single income. “For most of our members, that is the picture. Some still support children at university or other tertiary institutions; others look after grandchildren or extended family.” Only a fortunate few pensioners have just themselves to provide for, and they, he notes, value the annual increase and the guaranteed nature of their benefit.

As one of the biggest investors in the economy, the GEPF carries responsibilities that go beyond financial returns.



“To the extent that we can invest for financial return but also achieve social returns, we should be doing so. That is the responsibility of a fund our size, given how significant a player we are in our economy.”

The logic is simple: the GEPF cannot thrive if South Africa does not. Economic development therefore sits at the heart of its investment strategy, and about 80% of its assets are invested at home. “Our

“The GEPF cannot thrive if South Africa does not. Economic development therefore sits at the heart of its investment strategy.

liabilities, which are pensions, are paid in Rands," he explains. "So it makes sense to hold assets in Rands."

The Eskom test

That principle was tested most publicly in 2018 and 2019, when the debate over Eskom's finances raged and many argued against bailing out the struggling power utility. The GEPF has an exposure of around 20% to Eskom bonds, and Mabesa maintains that the Fund's reasoning was sound.

"If we do not support Eskom, whether it's the country or the GEPF through its listed investments and bonds, there is no guaranteed electricity supply, and the economy is at risk of collapse. If there is no economy, there is no GEPF investment in that economy. Then the GEPF also fails."

The Fund's assets are managed by the Public Investment Corporation, and the GEPF keeps a close watch on how its policies are applied, from developmental investment and ESG to responsible investment and transformation. A small dedicated team engages the PIC on topical issues and helps shape the conversation with investee companies through proxy voting and direct engagement.

"The PIC might not be vocal about it, but there is engagement," Mabesa says. "We monitor how these policies are implemented through the PIC, and where certain actions need correcting, corrective action can be taken."

What the future holds

Looking ahead, he sees significant opportunity in infrastructure. The GEPF, along with other retirement funds, is in talks with National Treasury about how the industry can help finance the country's infrastructure needs.

The Fund is already a major buyer of listed bonds, but Mabesa wants it to do more in unlisted infrastructure, provided the projects are bankable. "If there is no viable South African economy, there is no GEPF." His vision also stretches beyond South Africa's borders. Through an in-house fund-of-funds programme, the GEPF invests across the continent, including in power assets in Nigeria, Ghana and Kenya.

"For me, that's testament to how retirement funding can help economies grow while generating returns for retirement funds," he says. As the GEPF marks its 30th anniversary, Mabesa's outlook combines the caution of a finance professional with the ambition of an institution that knows its own weight. Protect members' money, yes, but also put it to work building the economy on which every pension ultimately depends, at home and across the continent.

"The GEPF believes in Africa. And the growth of the African continent should happen on the back of African institutions." For a man who never planned to lead the Fund, it is a fitting creed: guard the money entrusted to you, and make sure there is a thriving economy for your members to retire into.



CHAPTER 5: THE ROAD AHEAD



GEPF Board of Trustees 2026

Thirty years after it was stitched together from the fragments of the old order, the GEPF is Africa's largest pension fund and one of a shrinking number anywhere that still guarantees what it promises. The next 30 years will test whether it can keep that promise while a changing world of work, a restless global industry and an impatient society all ask more of its capital.

A world of work in flux

The pension fund industry stands at a crossroads, at home and abroad. The very idea of work is being challenged and redefined. The traditional career – full-time, uninterrupted employment that lets a member contribute steadily to a single fund for 30 or 40 years – is becoming the exception rather than the rule. Contract work, gig work and serial career changes are eroding the assumptions on which pension funds were built, and the way funds collect contributions may itself have to be rethought.

Public service is one of the few places where the old promise still largely holds. In South Africa, as in much of the developing world, government employment still offers steady, secure work that can last a generation. The country will always need teachers, nurses and police officers, and people to help citizens obtain Identity Document's, passports and driving licences – even as artificial intelligence and machine learning begin to take over some of those tasks. The GEPF can reasonably expect its model to endure, even if the profile of its members changes.

The GEPF has been a defining force in South Africa's pension landscape. Its most consequential choice was to remain a defined benefit (DB) fund while the private sector moved decisively to defined contribution (DC) – a shift that moves investment and longevity risk off the fund and the employer and onto the individual member. In a DB fund, the pension is a promise. In a DC fund, it is whatever the member's savings can buy.

The Fund has had a seat at the table for every major policy shift since, up to and including the most contentious recent reform: the two-pot retirement system, which took effect in September 2024 and gave members access to part of their savings before retirement. The next big debate in the industry is about compulsion. National Treasury has positioned automatic enrolment – signing workers up to a retirement fund by default – as the logical next step after two-pot. With roughly three in ten formal-sector workers still outside any retirement fund, the case is pressing.

Here the GEPF has already set the standard: membership is compulsory for public servants. In the private sector, resistance persists. Workers point to rising costs, rigid or limited benefits and stagnant wages as reasons to stay out – arguments also heard against compulsory medical aid membership. Just as the GEPF once defied an industry trend by remaining a DB fund, it must now hold the line on compulsory membership and use its own experience to show the rest of the industry why it matters.

> In South Africa, as in much of the developing world, government employment still offers steady, secure work that can last a generation.

From chaos to R3 trillion

An institution that began life in 1996 with R127 billion in assets can hardly be said to have had humble beginnings. Adjusted for South Africa's average inflation rate over the past 30 years – about 5,2% a year – that is roughly R580 billion in today's money.

If its beginnings were not humble, they were certainly chaotic. Former finance minister Trevor

Manuel recalls how some homeland leaders privatised their governments' pension funds to keep them out of the GEPF's reach, while some public servants manipulated their rank and salary to secure bigger payouts under the new dispensation. Out of that chaos has grown a robust and technically sound institution.

> The GEPF is likely to face sharper questions about whether assets of this size are being put to their best use for some 1,8 million active members, pensioners and beneficiaries.

On 30 September 2026, the Public Investment Corporation, which manages the Fund's money, reported that the GEPF's assets had reached R3,27 trillion at the end of March, and nearly nine of every ten rand the PIC manages. That figure came after conflict in the Middle East wiped more than R300 billion off the PIC's books in a single month, a reminder that a fund of this size feels every tremor in the global economy.

In the decade ahead, the GEPF is likely to face sharper questions about whether assets of this size are being put to their best use for some 1,8 million active members, pensioners and beneficiaries – especially since the benefits they are promised are ultimately guaranteed by the fiscus.

A provocative question can be posed. Could the GEPF comfortably meet its current and future obligations with, say, R2 trillion of these assets, growing them through future contributions? A



portion – perhaps between a quarter and a third – could then be deployed for direct economic benefit: rebuilding public hospital infrastructure, for example, to lower the cost of healthcare for GEPF members and pensioners while also serving the wider population.

The numbers counsel caution. At its last statutory actuarial valuation, on 31 March 2024, the Fund's assets of R2,34 trillion comfortably exceeded its liabilities of R1,97 trillion – a funding level of 119%. But once the contingency reserves its actuaries recommend are counted, that level falls to 81,6%; the Fund could afford only 41% of those reserves. Much of what looks like surplus is the cushion that protects the guarantee. Any move to carve out a developmental portion would have to be weighed against that – and against the lessons now emerging from pension systems around the world.

Africa's largest fund, Africa's agenda

At its 2025 Thought Leadership Conference, the GEPF affirmed its duty to lead as Africa's largest pension fund: to take calculated risks in infrastructure and to drive market-wide transformation, signalling confidence to other institutional investors. Amongst the priorities the conference set to the GEPF were.

Regional integration as a fiduciary duty. The Fund identified closer intra-African economic integration as both a strategic and a fiduciary imperative. The African Continental Free Trade Area (AfCFTA) offers a chance to turn trade and investment flows inward, towards the continent itself.

Infrastructure: from intent to action. Africa's infrastructure gap demands deployment, not declarations. The conference exposed a stubborn gap between need and action: although regulatory reforms now allow pension funds to allocate more to alternative assets, they have been slow to turn intent into investment. It is fair to ask whether the GEPF's own allocation to the continent is enough.

Multilateralism as a hedge. In a fragmented global order, multilateral co-operation is a powerful source of diversification – helping to defend fair trade, price the risk of infrastructure projects and crowd in patient capital.

African solutions, African research. Pension fund forums remain scarce and under-resourced across the continent, and the shortage of African-focused research forces funds to rely on



Karoshoek Solar

frameworks that do not reflect local realities. Africa must develop its own answers.
The GEPF is not alone in wrestling with these questions. Pension systems worldwide held a record $68,3 trillion at the end of 2025, according to the Thinking Ahead Institute, and almost everywhere they are being reshaped by the same forces: ageing populations, changing patterns of work, a fracturing geopolitical order and governments eager to harness pension capital for growth. Defined contribution now accounts for 63% of pension assets in the world's seven largest markets.

> Pension systems worldwide held a record $68,3 trillion at the end of 2025, according to the Thinking Ahead Institute.

Lessons for the next thirty years

Read against the GEPF's own history, the global experience points to several lessons.

Guard the guarantee. As the rest of the world retreats from promised benefits, the GEPF's detailed benefits promise is its greatest asset. Building contingency reserves towards the level its actuaries recommend should come before any debate about "surplus" capital.

Make independence non-negotiable. World-class investment results follow clear mandates, skilled and independent boards, and freedom from political interference. The GEPF's governance, and its relationship with the PIC, should be built to that standard.

Turn scale into capability. Size alone does not close the gap between intent and deployment. Specialist infrastructure and private-market teams, and co-investment partnerships with development finance institutions and peer funds, are what turn a large balance sheet into real projects.

Invest at home on investment terms. Developmental investments, from hospitals to AfCFTA corridors, should clear the same risk-adjusted return hurdle as any other asset and be reported transparently and separately. That is what keeps the capital – and the trust of members – in place.

Champion coverage. As South Africa debates auto-enrolment, the GEPF is living proof that compulsory membership works at scale. Its voice, data and administrative experience can help bring millions of uncovered workers into the system.

Lead the African conversation. The GEPF is unusually well placed to build the African research base and pension fund forums its own conference found lacking – so that the continent's funds stop borrowing frameworks built for other realities.

The unfinished promise

Trevor Manuel frames the GEPF's ultimate challenge. The Fund, he says, has fulfilled its social and economic mandate. But the better life for all envisaged at the dawn of democracy has not materialised for many South Africans, who remain poor and unemployed. Helping them reach that better life through its investment choices – without ever compromising the promise made to the people who keep the public service running – must remain the GEPF's guiding mission in the pursuit of social justice and economic inclusion.

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Mr Abel Sithole
Ms Joelene Moodley (Acting)
Mr John Oliphant
Mr Phenias Tjie
Ms Maemili Ramataboe

*Dondo Mogajane resigned as chairperson on 4 November 2024
Eddie Kekana acted as chairperson from 4 November to 11 December 2024
Frans Baleni took over as chairman from December 2024 to August 2026


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