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MEDIA RELEASE

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NAPTOSA CALLS OUT GEPF ON PIC INVESTMENTS

“So the GEPF’s is perturbed by allegations that governance and approval processes had been flouted by the PIC with regard to the investment in Ayo Technology Solutions - well, so are we!!” said Mr Nkosipendule Ntantala, President of NAPTOSA.

According to the GEPF, the PIC had assured it on numerous occasions that the correct governance processes had been followed in the AYO transaction, which creates the impression that the GEPF must somehow have been uncomfortable with certain aspects of the transaction. “And this is exactly where we have a problem”, said Mr Ntantala.

The GEPF is the main client of the PIC with billions of Rands of public servants’ pension money entrusted to the latter. Surely, the GEPF has a responsibility towards its members to establish tight monitoring and oversight systems to ensure that the PIC follows due diligence and approved investment processes - mere meetings or correspondence with the PIC to obtain assurances in this regard does not cut it, declared Mr Ntantala.

NAPTOSA accepts that investments in AYO and Steinhoff are but part of the whole investment portfolio that the PIC handles on behalf of the GEPF and we acknowledge that an 8,5% return on investments had been achieved during the 2017/2018 financial year, which beat inflation for the corresponding period. But this does not offset non-adherence by the PIC to its own investment processes, nor does it discharge the GEPF of its monitoring and oversight responsibility.

The question is, what is the GEPF going to do about the fact that they view the AYO incident as “a serious breach of trust” between the PIC and itself?

“As NAPTOSA we call on the GEPF to announce to its members what practical oversight measures – other than what is currently in place and obviously not yielding the required results – it will be implementing to ensure that the Fund is in full agreement, and comfortable, with future PIC transactions on its behalf, said Mr Ntantala. “ In fact, we want to go as far as to request the GEPF not to transfer further funds to the PIC for investment purposes until the Commission of Enquiry has concluded its work and the full extent of possible irregularities has been unveiled.”

“Should it prove, through the work of the Commission, that investment processes had been spurned, or that there had been corrupt activities in the organization, to benefit certain individuals or companies, those involved should be dealt with severely”, demanded Mr Ntantala.

End of Statement

Duly Signed.

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CHIEF EXECUTIVE OFFICER