MEDIA RELEASE	**Government Employees Pension Fund R6.5 billion loss: PSA calls for consequence management for Board of Directors**
DATE	20 November 2024
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The Public Servants Association (PSA) condemns reckless loans granted by the Government Employees Pension Fund (GEPF) without exercising due diligence, resulting in dud loans of some R6.5 billion.

The GEPF's Board of Directors and top management that oversaw these transactions must account for their negligence. Whilst the loans were supposed to be a part of a broader strategy to invest in infrastructure and development projects, many of these projects have reportedly failed to deliver the expected returns, leading to significant losses for the GEPF.

The situation has sparked discussions about the management of the GEPF and the potential risks to members' pensions. There are concerns about transparency and accountability on how these investments are managed and the fiduciary duty of the Board of Directors. The GEPF has invested significantly in unlisted companies, which often lack the same level of scrutiny and transparency as public traded firms. This can lead to higher risks and potential losses. Some of the projects reportedly led to financial write-offs. Controversial companies and persons, and politically connected persons are amongst the beneficiaries of the billions lost by the GEPF. For example, *Honsha*'s term of loan has expired without it repaying a cent and not being required to pay back the money.

The Public Investment Corporation (PIC) manages the GEPF's investments. Decisions by the entity regarding loan approval and project funding are crucial. The PSA calls for a thorough investigation into the GEPF's investment strategies and decision-making processes as current operations and control measures have proven inadequate. Loans were granted without critical analysis. These questionable investments have resulted in significant financial losses, jeopardising the retirement savings of a vast number of public servants. Statements by the Chief Investment Officer that the credit-loss ratio is 30%, meaning that one third of investments is not expected to perform, should not be a licence for recklessness. It is imperative that the GEPF prioritises the financial security of members over risky investments. The PIC's response that the losses were insignificant smacks of tardiness as the country can ill afford such losses whilst millions of citizens are financially constrained.

The PSA is committed to advocating for the rights and interests of the Union's members and pensioner members. The GEPF is urged to implement stricter oversight and governance measures to prevent similar losses. Those responsible for this financial misstep must be held accountable to restore trust in the GEPF.

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