

**MEDIA RELEASE:** Public Investment Corporation: PSA cautions on instability

**DATE:** 5 February 2021

**EMBARGO:** None

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The Public Servants Association (PSA) is extremely concerned about Public Investment Corporation's (PIC) stability and its ability to perform in accordance with the legislative provisions of the *Public Investment Corporation Act, 2004* amidst recent media reports on the exodus of PIC Board members.

The PSA represents some 240 000 public-sector employees who belong to the Government Employees Pension Fund (GEPF), which invests its money via the PIC. The PSA, as the second largest Union representing members in the Public Service, has long been concerned about governance issues at the PIC. The PSA, on behalf of its members, has a significant and direct interest in how GEPF assets are invested and thus in the governance structures, management, and performance of the PIC.

The GEPF is a pension fund contemplated in section 2 of the *Government Employees Pension Law, Proclamation 21 of 1996* ("GEP Law"). The GEPF is a juristic person and operates under the provisions of the *GEP Law* and the GEPF rules made by the GEPF Board under the provisions of the *GEP Law*. The GEPF is the largest client of the PIC and by far the largest percentage of assets under PIC belongs to the GEPF.

Without a proper representative Board, poor investment decisions may re-occur. The PSA further believes that any further delays to appoint a permanent Board will cause instability. The PSA therefore requested the Minister of Finance to without delay consult with major depositors to appoint new, suitable PIC Board members. These new Board members must be representative of the main contributors to the GEPF. The current notion of appointing interim Board members from the private sector should also be discontinued.

The PSA has over two years been unsuccessful in trying to ensure that it has a representative on the PIC Board. It is vitally important that the PSA, which represents a significant number of employees who contribute to the GEPF have an input on how employees' hard-earned pension savings are invested.

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