

GEPF's CASHFLOWS - THE HEARTBEAT OF THE FUND

DECLARATION OF INTEREST: I AM A GEPF MEMBER SINCE DECEMBER 1977 AND A PENSIONER SINCE 2015. AS SUCH I HAVE A DIRECT AND VESTED INTEREST IN THE PERFORMANCE AND WELL BEING OF THE FUND. I FULLY AGREE WITH THE VISION OF THE GEPF. MY COMMENTS AND VIEWS ARE FOCUSSED ON SPEEDING UP ACTIONS TO ATTAIN THIS VISION.

THE GEPF'S ANNUAL REPORT (AR) FOR 2017/18 WAS TABLED IN PARLIAMENT AT THE END OF NOVEMBER 2018. SUBSEQUENTLY, THE INFORMATION HAS BEEN MADE AVAILABLE TO MEMBERS OF THE FUND VIA THE GEPF'S WEBSITE. [HTTP://WWW.GEPF.GOV.ZA/UPLOADS/ANNUALREPORTSUPLOADS/AR_2018_\(20181128\)_FINAL_SUBMITTED-MIN.PDF](http://www.gepf.gov.za/uploads/annualreports/uploads/AR_2018_(20181128)_FINAL_SUBMITTED-MIN.PDF)

MY INTEREST AT THIS TIME IS ON THE CASHFLOWS OF THE FUND.

EARLIER IN THE YEAR A DETAILED ANALYSIS OF THE CASHFLOW TRENDS OF THE FUND SINCE 2007 TO 2017 WAS DONE. CHECK IT OUT HERE:

[H T T P S : / / W W W . A M A G P . C O . Z A / AMAGPPROJECTGEPFCASHFLOWV3.PDF](https://www.amagp.co.za/AMAGPPROJECTGEPFCASHFLOWV3.PDF)

IN THIS ANALYSIS IT WAS POINTED OUT THAT CASH IS KING. IT FOLLOWS THAT A KING CANNOT SURVIVE WITHOUT A HEALTHY HEART.

SO THIS REVIEW IS ABOUT HOW HEALTHY THE HEART (CASH FLOW) OF THE KING (THE GEPF) WAS OVER THE YEARS UP TO 2018.



FOLLOWING THE ORIGINAL ANALYSIS, THE GEPF OBJECTED TO CRITICISM AND MADE THE FOLLOWING COMMENT TO EXPLAIN THE INCREASED STRAIN ON THE OPERATIONAL CASHFLOWS :

“IT IS ALSO IMPORTANT TO REALIZE THAT THE CASH FLOWS OF A PENSION FUND ARE VERY DIFFERENT FROM THOSE OF AN ORDINARY BUSINESS. A PENSION FUND EXISTS TO PAY BENEFITS“

IF THIS IS MEANT TO INDICATE THAT CASHFLOWS FOR A PENSION FUND IS ACTUALLY MORE IMPORTANT THAN FOR ORDINARY BUSINESSES, I AGREE.

IN FACT, POSITIVE CASHFLOWS IS CRITICAL FOR THE SUSTAINABILITY OF A PENSION FUND.

THE 2018 AR IS THE FINAL CHAPTER ON THE 4 YEARS OF THE BOARD UNDER LEADERSHIP OF DR MOKATE/DRIES DE WIT SO LETS LOOK AT THE GEPF OVER THE LAST 12 YEARS, COMBINING THE CASHFLOWS PER BOARD OF TRUSTEE’S (BoT’S) 4 YEARS TERM OF OFFICE, WITH A SPECIFIC FOCUS ON THE MOKATE/DE WIT PERIOD.

HOW HEALTHY WAS THE KING’S HEART

GEPF CASHFLOW COMBINED PER BOARD OF TRUSTEE (BoT) 4 YEARS TERM OF OFFICE				
	A	B	C	C/A
Rands (Billion)	KUSKUS/BAIT	MOLOTO/BADAL	MOKATE/DE WIT	
Cash generated from operations	15.0	18.7	111.2	7.4
Contributions and other income received	114.3	187.6	257.0	2.2
Benefits paid during the year	-98.3	-158.5	339.7	3.5
Other expenses paid	-1.0	-10.4	-28.5	27.3
Interest received (1)	107.7	122.7	164.5	1.5
Interest paid	-4.0	-3.6	-7.1	1.8
Dividends received (1)	54.4	79.5	115.6	2.1
Transfers and bought services received/(paid)	-1.4	-0.0	0.0	-0.0
Divorce claims paid	0.3	-0.0	-4.2	-15.4
Net cash inflow from operating activities	171.8	217.3	157.7	0.9
Net cash outflow from investing activities	-152.1	-217.2	-150.7	1.0
Additions to equipment	-0.1	-0.0	-0.0	0.0
Additions to investments	-152.1	-217.2	-150.7	1.0
Net increase in cash and cash equivalents	6.8	0.1	7.0	1.0
CONTRIBUTIONS AND NEW INVESTMENTS				
Contributions	114.30	187.57	257.02	2.2
Additions to investments	-152.07	-217.21	-150.67	1.0
Ratio	1.33	1.16	0.59	

THE BoT KUSKUS/BALT: 2007 - 2010

NET CASH INFLOW FROM OPERATIONS WAS POSITIVE AT 171BN WHICH IS THE RESULT OF INTEREST AND DIVIDENDS PLUS CASH FROM OPERATIONS. THIS ALLOWED THE BOT TO MAKE NEW INVESTMENTS OF 152BN.

THE BoT MOLOTO/BADAL: 2011 - 2014

NET CASH INFLOW FROM OPERATIONS REMAINED POSITIVE AND INCREASED TO R217BN. THIS WAS THE RESULT OF INTEREST AND DIVIDENDS. THIS ALLOWED THE BOT TO MAKE NEW INVESTMENTS OF 217BN.

HEARTBEAT RATING: VERY STRONG AND HEALTHY, PEAK PHYSICAL CONDITION, OUR KING CAN RUN THE COMRADES MARATHON WITH EASE. ❤️❤️❤️❤️❤️

THE MOKATE/DE WIT BoT: 2015 - 2018



THE NET CASH INFLOW FROM OPERATIONS WAS POSITIVE. HOWEVER, WHEN COMPARED TO THE OTHER BOT'S, IT IS THE LOWEST. THE AMOUNT REDUCED BY 60BN SINCE THE MOLOTO PERIOD TO AN AMOUNT OF 157BN. THIS IS BOTH AN UNEXPECTED AND A MATERIAL DETERIORATION.

THIS RESULT WAS CAUSED BY:



NOT ALL CONTRIBUTIONS AMOUNTING TO 257BN WERE USED TO MAKE ADDITIONAL INVESTMENTS. (ONLY 150BN OR 59% WERE INVESTED)

👎 OTHER EXPENSES INCREASED SIGNIFICANTLY TO 28BN (ITS NOW 25% OF NET CASHFLOW FROM OPERATIONS)

👎 CASH GENERATED FROM OPERATIONS NOT ONLY REDUCED BUT WAS NEGATIVE TO THE AMOUNT OF 111BN

👍 CASH FROM INTEREST AND DIVIDENDS COMBINED INCREASED TO 280BN

👎 BENEFITS OF 339BN WAS MORE THAN CONTRIBUTIONS OF 257BN.

HEARTBEAT RATING:

THE GEPF'S HEARTBEAT (CASHFLOW) IS ERRATIC, THE ARTERIES ARE BLOCKED BECAUSE OF STRESS (REDUCED INTEREST/DIVIDENDS) AND UNHEALTHY EATING HABITS (INCREASED COSTS AND RAPIDLY RISING BENEFIT PAYMENTS). OUR KING SHOULD AVOID STRENUOUS EXERCISE. NO RUNNING PLEASE. AVOID THE STAIRS. 💔 SOS 💔 🏠



CASHFLOW IMPACT ON THE SUSTAINABILITY OF THE FUND

THE END RESULT OF THE CASHFLOWS DESCRIBED ABOVE IS THE AMOUNT THAT IS AVAILABLE TO MAKE NEW INVESTMENTS. LETS SEE HOW ALL THREE GROUPS OF TRUSTEES FARED IN INCREASING THE INVESTMENTS.

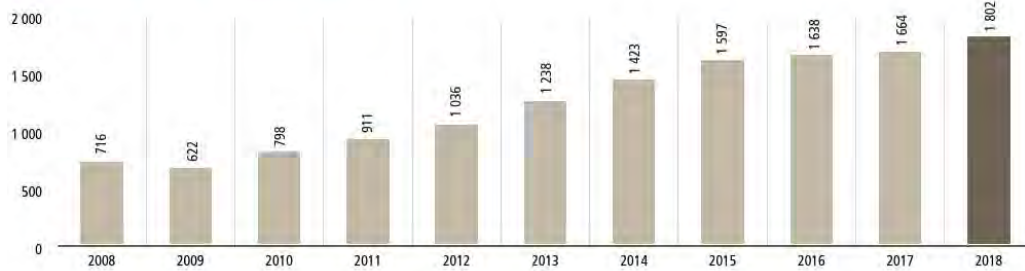
IN THE 2018 ANNUAL REPORT THE GEPF TRACK BACK 10 YEARS TO ILLUSTRATE HOW SUCCESSFUL THEIR BLUEPRINT WORKS IN GROWING THE ASSETS OF THE FUND. FROM A MODEST 716BN TO 1,8 TRILLION IN 10 YEARS. THIS SOUNDS VERY IMPRESSIVE! BUT THERE IS NO SIMILAR GRAPH SHOWING THE INCREASE IN PENSION LIABILITIES AND RESERVES.

THIS IS THE PROBLEM!

GROWTH IN INVESTMENT PORTFOLIO

The GEPP investment portfolio grew by 8.3% from R1.7 trillion in 2017 to R1.8 trillion in 2018. The increase in the investment value is mainly due to the performance of domestic assets over the past year, particularly bonds and equities.

GROWTH IN INVESTMENT PORTFOLIO



Description	2018 R'000	2017 R'000	Movement R'000	% change
Listed equities	R970 086 402	R882 929 188	R87 157 214	10
Domestic bills and bonds	R563 088 813	R530 284 820	R32 803 993	6
Unlisted equities (domestic)	R50 683 420	R36 905 227	R13 778 193	37
Collective Investments Scheme (foreign)	R98 238 637	R92 150 804	R6 087 833	7

- Listed equity increased by 10% as a result of a positive fair value adjustment and additions.
- Domestic bills and bonds increased by 6% as a result of a positive fair value adjustment and additions.
- Domestic unlisted equities increased by 37% as a result of a positive fair value adjustment and additions.
- Foreign collective investments schemes increased by 7% as a result of new investments.

ITS LIKE HAVING A SCALE WITH ONLY THE ONE SIDE LOADED. AS A MEASUREMENT INSTRUMENT ITS WORTHLESS. ITS ONLY WHEN THE OTHER SIDE GETS LOADED THAT THE MEASUREMENT INSTRUMENT ALLOWS FOR PROPER EVALUATION.

SO AGAIN, WITH THE 2018 AR, THE MOKATE BOT OMITTED TO STATE WHAT THE PENSION LIABILITIES AND RESERVES AMOUNTS WERE AT THE SAME TIME AND BY HOW MUCH DID THIS GROW SINCE THE 2016 ACTUARIAL VALUATION. THE LATTER EFFECTIVELY DICTATE WHAT THE ASSETS SHOULD BE.



IN 2016 THAT REQUIREMENT WAS 2TRILLION ALREADY! 🤔 SO TWO YEARS LATER, IN 2018, WE REMAIN R200BN SHORT (2TR - 1.8TR) BUT WE STILL AWAIT THE UPDATED ACTUARY VALUATION EFFECTIVE 31 MARCH 2018 TO PROPERLY DO THE COMPARISON BETWEEN ASSETS AND FUND LIABILITIES AS WELL AS RESERVES.

NOTWITHSTANDING THIS SHORTFALL (WHICH IS INCREASING) CHAIRPERSON MOKATE IN THE 2018 AR CONCLUDES THAT THE GROWTH OF THE INVESTMENT BALANCE IS “A VOTE OF CONFIDENCE IN HOW THE PENSION FUND IS MANAGED”

INVESTMENTS

The GEPF's investment strategy uses a liability-driven approach, based on asset liability modelling, that takes into consideration expected future benefit payments, the actuarial position, and other long-term objectives, as well as the risk to the overall solvency of the Fund.

The Fund's assets grew by 8.3% during the 2017/18 financial year, going from R1.7 trillion in 2016/17 to R1.8 trillion. This growth is extremely pleasing and is a vote of confidence in how the pension fund is managed.

UNFORTUNATELY I CANNOT AGREE WITH THIS ASSESSMENT WHICH IS EXPANDED ON IN THE FOLLOWING SECTIONS

THE ASSETS SIDE OF THE SCALE

LETS TAKE A LOOK HOW WELL THE MOKATE BOT DID WITH GROWING THE ASSETS/INVESTMENT PORTFOLIO OF THE FUND OVER THE 4 YEARS IN OFFICE. WE CAN COMPARE THEIR EFFORTS AGAINST THE PREVIOUS BOT'S. LETS SEE IF THIS SELF PROCLAIMED VOTE OF CONFIDENCE IN HOW THE PENSION FUND IS MANAGED CAN BE VALIDATED.

THE BASE OF CALCULATIONS DONE IS SIMPLIFIED IN THAT THE INCREASES ARE RELATED TO THE OPENING BALANCE OF INVESTMENTS AT THE START OF THE BOT TERM OF OFFICE (YR1 OPEN) THE BALANCE AT THE END OF YEAR 4 (YR4 END) IS WHAT INVESTMENTS THE BOT LEAVES FOR THE NEXT BOARD TO CONTINUE WITH.

THE DIFFERENCE BETWEEN YR4 AND YR1 IS THE VALUE ADDED TO THE INVESTMENTS DURING THE TERM OF OFFICE.

THESE AMOUNTS ARE AS IS AND HAS NOT BEEN ADJUSTED TO TAKE INTO CONSIDERATION INFLATION. PERCENTAGES ARE CALCULATED IN RELATION THE INVESTMENT BALANCES IN YEAR 1.

Investment balances Rbn	Kuskus	Moloto	Mokate
Yr4 end	798	1 423	1 813
Less Yr1 open	546	798	1 423
Increase 4yrs	252,0	624,9	390,1
Increase % 4yrs	46,2%	78,3%	27,4%
Increase % p.a	11,5%	19,6%	6,9%
Increases 4yrs	Kuskus	Moloto	Mokate
From cashflow	152,10	217,20	150,70
Capital Growth	99,90	407,71	239,39
Total	252,00	624,91	390,09
Cashflow increases%4yr	27,9%	27,2%	10,6%
Capital Growth%4yr	18,3%	51,1%	16,8%
Increase% p.a.			
From Cashflow	7,0%	6,8%	2,6%
Capital Growth	4,6%	12,8%	4,2%
Other expenses	Kuskus	Moloto	Mokate
Other expenses	1,0	10,0	28,0
Net cashflow	171,0	217,0	111,0
%	0,58%	4,61%	25,23%

RELATIVE INCREASE OF INVESTMENT BALANCES

THE TOTAL INVESTMENT BALANCE INCREASE OVER THE LAST 12 YEARS IS R1267BN (1.2TRILLION). AGAIN, THIS AMOUNT IS VERY IMPRESSIVE WHEN CONSIDERED ON ITS OWN!

LETS SEE HOW THE VARIOUS BOARDS CHIPPED IN DURING THEIR 4 YEAR STINTS IN OFFICE TO ENSURE THIS OVERALL RESULT WITH THE ASSETS. OF THE R1,2TR INVESTMENT BALANCE INCREASE, THE BULK OF THIS AMOUNT, NAMELY 624BN OR 49%, WAS ADDED BETWEEN 2010 TO 2014 COURTESY OF THE MOLOTO BOT.

RESPECT TO THE MOLOTO BOT FOR A JOB WELL DONE IN RESPECT OF INCREASING THE INVESTMENTS SIGNIFICANTLY.



THE MOLOTO/BADAL BOARD BETWEEN 2010 AND 2014 WAS THE MOST SUCCESSFUL IN TERMS OF THE AVERAGE 19.6% P.A RETURN OF THE ASSETS IT STARTED WITH, FOLLOWED BY THE KUSKUS BOARD WITH 11.5% P.A.

THE MOKATE BOARD MANAGED ON AVERAGE 6.9% P.A. 🤔

IT IS WORTH NOTING THAT THE MOKATE BOARD HAD AN START UP INVESTMENT BALANCE ALMOST DOUBLE THAT WHICH THE MOLOTO BOARD HAD (1,4 TR VS 798BN), BUT THE VALUE ADDED TO THE INVESTMENT BALANCE WAS ONLY HALF. 🤔

THE IMPORTANCE OF INCREASED CASHFLOW ON THE GROWTH OF INVESTMENTS

Increases 4yrs	Kuskus	Moloto	Mokate
From cashflow	152,10	217,20	150,70
Capital Growth	99,90	407,71	239,39
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THE GEPF, WHEN ANNOUNCING THE “GROWTH” OF THEIR INVESTMENTS, NEVER SEPARATE THE ACTUAL CAPITAL GROWTH FROM THE SO CALLED WALK-IN CASH THAT IS ADDED TO INVESTMENTS. THIS SIMPLIFIED CALCULATION SHOWS HOW IMPORTANT A ROLE THE WALK-IN CASH PLAYS IN GROWING THE INVESTMENTS.

ACROSS ALL THREE BOT'S 4 YEARS RESULTS, AN AMOUNT OF AT LEAST 150BN FROM CASHFLOW WAS ADDED TOWARDS INCREASING THE INVESTMENT BALANCE. OVER THE 12 YEARS THE COMBINED AMOUNT OF WALK-IN CASH BY ALL THREE BOT'S WAS 520BN (THIS IS 41% OF THE 1.2TRILLION)

IN TERMS OF THE RELATIVE CONTRIBUTION OF THE CASHFLOWS TO THE INCREASE OF THE INVESTMENTS PER BOT, THE MOKATE BOARD'S BELOW PAR CONTRIBUTION OF 2,6% VS THE 6,8% AND 7% IS IN SHARP CONTRAST AND MOST DISAPPOINTING.

FOR THE MOKATE BOT, THIS IS HARDLY AN OUTCOME THAT ACTUALLY CAN UNDERPIN A VOTE OF CONFIDENCE IN HOW THE PENSION FUND IS MANAGED.

AND THIS IS BEFORE WE CONSIDER THE ESCALATING EXPENSES THAT HAS REACHED A PEAK DURING THE MOKATE BOT TERM IN OFFICE.

Other expenses	Kuskus	Moloto	Mokate
Other expenses	1,0	10,0	28,0
Net cashflow	171,0	217,0	111,0
%	0,58%	4,61%	25,23%

THE EXPENSES HAVE INCREASED 28 FOLD SINCE THE KUSKUS BOT PERIOD ENDED IN 2010. IN RELATION TO NET CASHFLOW, ITS CLEAR THE EXPENSES DURING THE MOKATE BOT IS GROWING DISPROPORTIONATELY, FROM A LOW OF 0,58% TO 25,23%.

ITS DIFFICULT TO SUPPORT A VOTE OF CONFIDENCE IN A BOT THAT EVIDENTLY COULD NOT REIGN IN THE COST OF MANAGING THE FUND TO A REASONABLE LEVEL, WHEN COMPARED TO ITS PREDECESSORS.

FULL DISCLOSURE OF THE TURNAROUND OF OPERATIONAL CASHFLOWS

THE GEFP'S VALUES STATES THAT THEY WILL...
NOT MISREPRESENT OR WITHHOLD INFORMATION TO WHICH
OUR STAKEHOLDERS ARE ENTITLED.

WE HAVE SEEN A FUNDAMENTAL CHANGEOVER IN THE FUND
IN FY2014 WHERE THE OPERATIONAL CASHFLOWS TURNED
FROM POSITIVE TO NEGATIVE, AND WHEN IT DID, THE AMOUNTS
INVOLVED IS SIMPLY ENORMOUS! NOTWITHSTANDING THIS
EVENT AND THE SUBSEQUENT TREND CONTINUING BETWEEN
FY2015 & 2018, THE MOKATE BOT DID NOT MADE PROPER
DISCLOSURES OF THIS.

A GOOD EXAMPLE OF EARLY DISCLOSURE

SEE THE EXAMPLE OF THE CANADA PENSION PLAN (CPP)
2017 ANNUAL REPORT HERewith. THEY FOREWARNED
MEMBERS BY 4 YEARS AT LEAST.

MY REVIEW OF THE ANNUAL REPORTS SINCE 2007 AS WELL AS
THE ACTUARY REPORTS SINCE 2010 DOES NOT PICK UP ANY
FOREWARNING NOR SUBSEQUENT DISCLOSURE THAT COULD
ASSIST PROSPECTIVE MEMBERS, CURRENT MEMBERS AND
BENEFICIARIES ABOUT THIS MATTER.



IN THE END, THE OCCURRENCE AND THE MAGNITUDE OF THE CASHFLOW PROBLEM HIGHLIGHTED ABOVE IS NOT A TRIVIAL MATTER. THE MATTER REQUIRES FULL DISCLOSURE WHICH THE CURRENT ANNUAL REPORT OF 2018 DOES NOT PROVIDE ADDING THE PROVERBIAL INSULT TO THE INJURY CAUSED TO THE FUND.

PERHAPS THE FOLLOWING WORDING OF THE GEPF'S INVESTMENT BELIEFS (PAR2.9) CAN SERVE AS A REMINDER TO THE MOKATE BOT TO MAKE GOOD ON THEIR COMMITMENT:

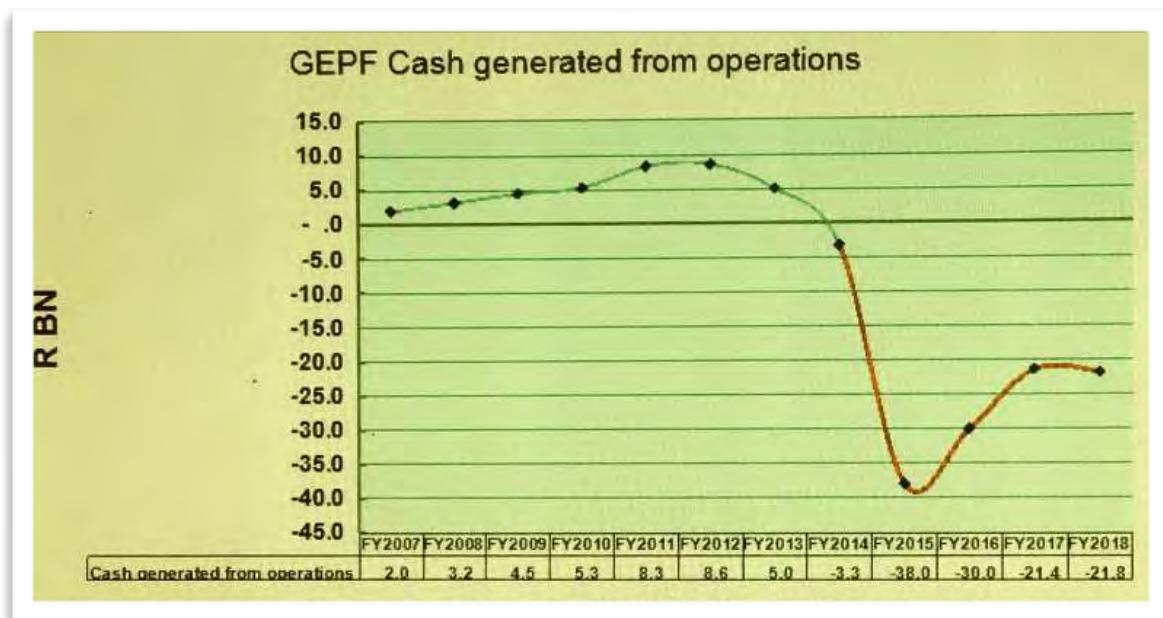
“THE FUND’S TRUSTEES COMMIT TO HIGH STANDARDS OF OPENNESS, TRANSPARENCY AND APPROPRIATE DISCLOSURE IN LINE WITH BEST PRACTICE STANDARDS.”

ITS NOT TOO LATE, AN APPENDIX TO THE ALREADY ISSUED AR WITH ALL THE DETAILS AND PLAN OF ACTION TO TURN THE RESULTS AROUND, PUBLISHED ON THE WEBSITE WITHOUT DELAY WILL ASSIST MEMBERS AND PENSIONERS SIGNIFICANTLY.



IN CONCLUSION

THE FOLLOWING GRAPH SUMMARIZES IN ONE PICTURE HOW THE CASHFLOWS OF THE GEPF DETERIORATED OVER THE LAST 12 YEARS AND SPECIFICALLY THE LAST 4 YEARS, THE MOKATE/DE WIT BOT PERIOD.



BASED ON THE RESULTS IN THE 2018 AR AND THOSE HIGHLIGHTED ABOVE, YOU DEAR READER CAN NOW BE THE FINAL JUDGE TO ASSESS,

DID THE MOKATE/DE WIT BOT:

- IMPROVE THE SUSTAINABILITY OF THE FUND?...
- EMPOWER BENEFICIARIES THROUGH EFFECTIVE COMMUNICATION ?....

AND FINALLY

MISSION

As the Government Employees Pension Fund is the custodian of a significant portion of the wealth of public servants, our mission is to:

- ensure the sustainability of the Fund;
- provide for efficient delivery of benefits; and
- empower our beneficiaries through effective communication.

INVESTMENTS

The GEPP's investment strategy uses a liability-driven approach, based on asset liability modelling, that takes into consideration expected future benefit payments, the actuarial position, and other long-term objectives, as well as the risk to the overall solvency of the Fund.

The Fund's assets grew by 8.3% during the 2017/18 financial year, going from R1.7 trillion in 2016/17 to R1.8 trillion. This growth is extremely pleasing and is a vote of confidence in how the pension fund is managed.

The Board has continued to monitor and guide the Fund's investment team to ensure optimum performance.

DO YOU AGREE WITH THE CHAIRPERSON'S COMMENT THAT THE GROWTH OF THE ASSETS IN 2018

IS A VOTE OF CONFIDENCE IN HOW THE PENSION FUND IS MANAGED?

SO WHAT?, YOU MAY SAY

IN THE END, THE OCCURRENCE AND THE MAGNITUDE OF THE CASHFLOW PROBLEM HIGHLIGHTED ABOVE IS NOT A TRIVIAL MATTER. IT IMPACTS THE SUSTAINABILITY OF THE FUND AND SPECIFICALLY IMPACTS THE RISK THAT PENSIONERS SHARE PERTAINING TO IMPROVEMENT OF BENEFITS AND THE GRANTING OF 100% CPI INCREASES YEARLY.

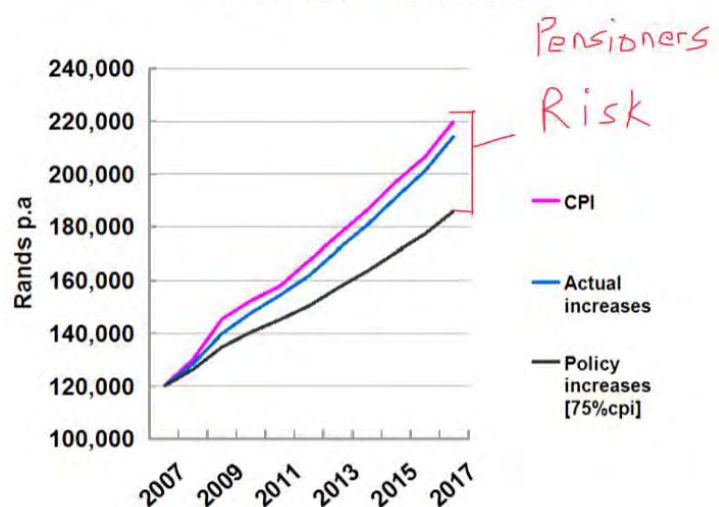
THE FOLLOWING GRAPH SHOWS THE RISK PENSIONERS FACE TO INFLATION OVER 10 YEARS. A PENSION OF R10000 P.M IS USED IN THIS EXAMPLE.

OVER 10 YEARS THE DIFFERENCE

BETWEEN 100% CPI ADJUSTMENTS AND THE GUARANTEED ADJUSTMENTS ACCUMULATES TO R124K.

TODAY THERE ARE +400000 PENSIONERS AND 1,2 MILLION APPRENTICE PENSIONERS WHO IS STILL WORKING TOWARDS THEIR RETIREMENT.

GEPP PENSION INCREASES



IF YOU CAN VISUALIZE YOUR GOLDEN YEARS BEING CONTENT ONLY RECEIVING THE GUARANTEED PENSION (IE. ONLY THE POLICY INCREASES), THEN SIT BACK AND DO NOTHING.

JUST IMAGINE A REPEAT OF THE CASHFLOW RESULTS, THE ESCALATING EXPENSES, THE LOW LEVEL OF NEW INVESTMENTS OF THE NEW MOKATE BOT IN THE 4 YEARS LEADING UP TO 2021. **DO YOU BELIEVE BENEFIT IMPROVEMENTS WILL CONTINUE AND FULL INFLATIONARY INCREASES WILL BE PROVIDED?**

IF SO..SIT BACK AND DO NOTHING.

HOWEVER, IF YOU WISH TO ENSURE MAXIMUM BENEFITS AND INCREASES, YOU NEED TO ACT.

WHY? BECAUSE 10 OF THE 16 TRUSTEES THAT SERVED IN THE MOKATE BOT WAS RE-APPOINTED/ELECTED FOR ANOTHER 4 YEAR'S IN CHARGE OF THE FUND. THE GEPF WILL MOST LIKELY REPEAT THE SAME STOCK ANSWER TO THE CONCERNS RAISED, IE. ITS A DEFINED BENEFIT FUND, THE BENEFITS ARE GUARANTEED BY THE GOVERNMENT, THE TRUSTEES TAKES THEIR JOB SERIOUSLY.

LAST MENTIONED GUARANTEE IN NO WAY CHANGES THE NEGATIVE CASHFLOWS TO POSITIVE, IT DOES NOT ENSURE THE LOWEST POSSIBLE COSTS, IT DOES NOT ENSURE THAT ALL THE CONTRIBUTIONS ARE INVESTED. IT CERTAINLY DOES NOT GROW THE ASSETS TO MATCH THE LIABILITIES AND RECOMMENDED RESERVES.

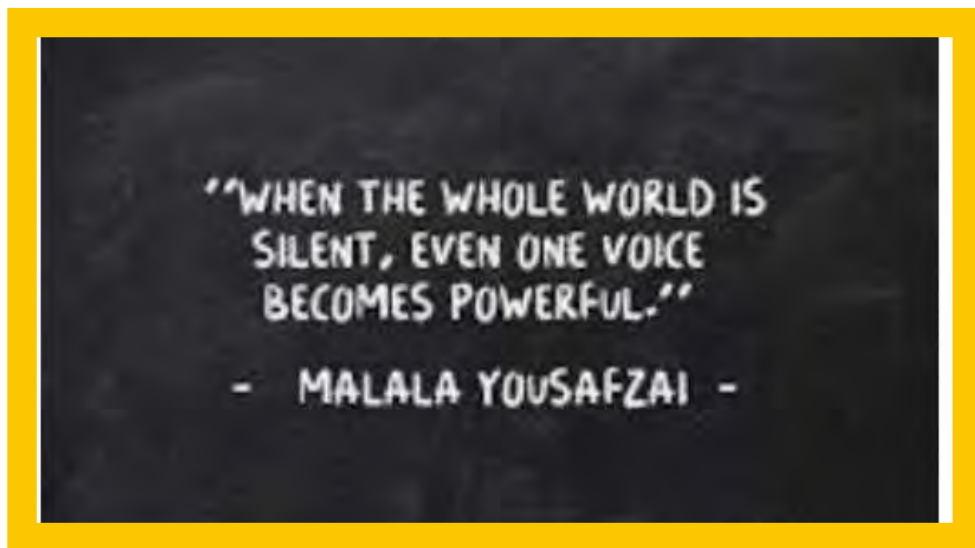
ONLY THE BOT IN OFFICE IS CAPABLE OF DOING THIS. **BETWEEN 2015 AND 2018 THIS DID NOT HAPPEN.**

REFERRING TO THE GUARANTEE IS NOT GOING TO CHANGE THIS OUTCOME, NOT NOW, NOT IN FUTURE. ONLY DECISIVE ACTION BY THE GEPF THEMSELVES WILL.

BUT WE ARE FACED WITH A GEPF THAT SEEMS INTENT TO CONTINUE FOLLOWING THE SAME BLUEPRINT, WITH THE SAME OFFICIALS, THE SAME TRUSTEES AND THE SAME EXTERNAL ASSET MANAGER.

IS IT REASONABLE TO EXPECT A DIFFERENT OUTCOME?

AT THIS TIME PLEASE REFER TO MY SELF INTEREST AS DECLARED ON PAGE 1. MY CHOICE IS TO REMAIN WITH THE FUND AND TO BE ACTIVE. CONCERNS WILL BE RAISED WITH THE GEPF AND OTHER ROLE PLAYERS. MY SOLUTION DOES NOT CONSIDER TAKING THE MONEY AND RUN, BECAUSE THIS LEAVES THE PROBLEMS TO 1,7MILLION OTHER MEMBERS AND PENSIONERS TO FACE.



ONE VOICE IS GOOD AND A START.

1 MILLION IS BETTER.

CJVD

DECEMBER 2018