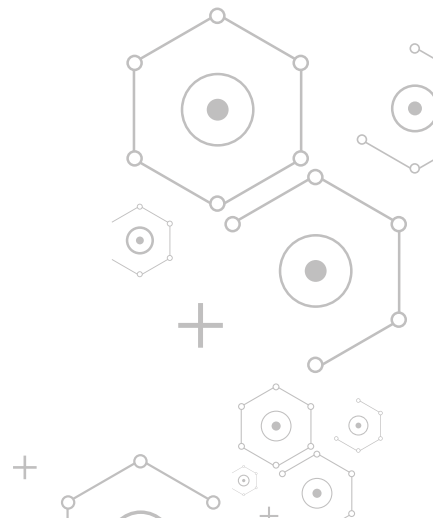




GEPFTM

your investment, your future

**ANNUAL
REPORT**
2023/24





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PART 1:

MINISTER'S NOTE TO PARLIAMENT

MINISTER'S NOTE TO PARLIAMENT

To the Speaker of Parliament

I have the honour, in terms of section 9(6) of the Government Employees Pension Law, 1996 (Proclamation 21 of 1996), as amended, to submit the annual financial statements, report and information of the Government Employees Pension Fund for the period 1 April 2023 to 31 March 2024.



Mr Enoch Godongwana

Minister of Finance

October 2024

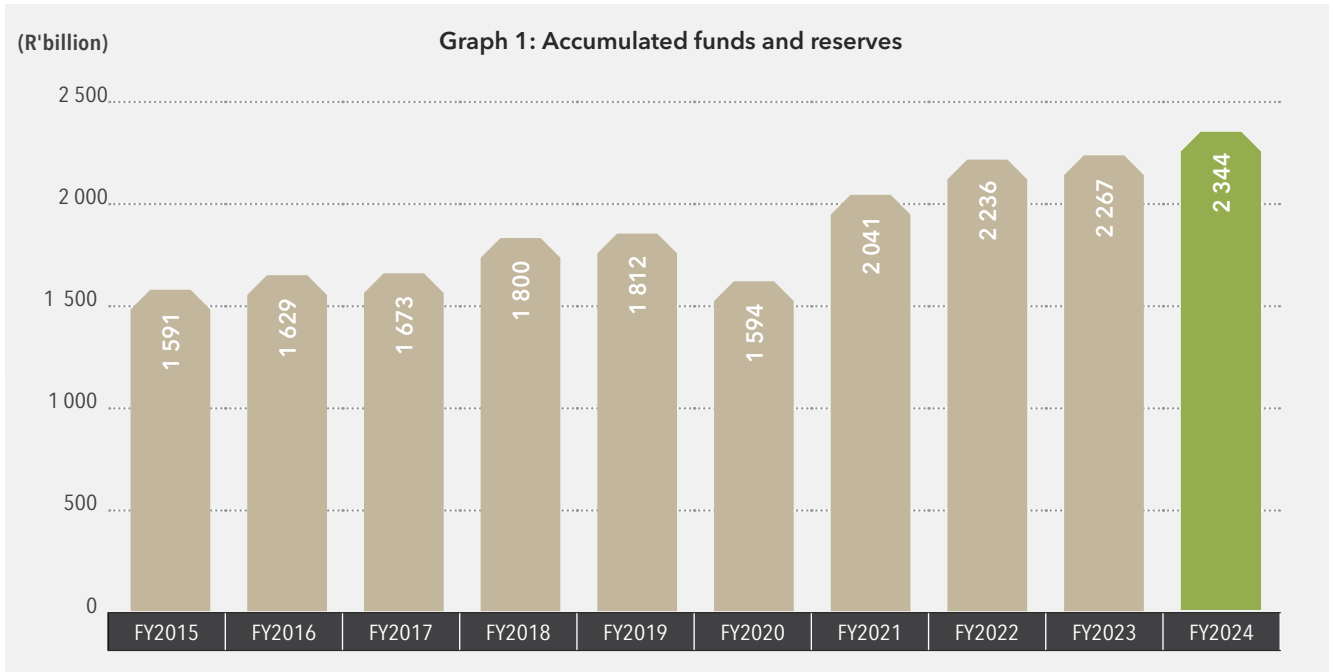


PART 2:

SNAPSHOT OF FINANCIAL AND
ADMINISTRATIVE HIGHLIGHTS

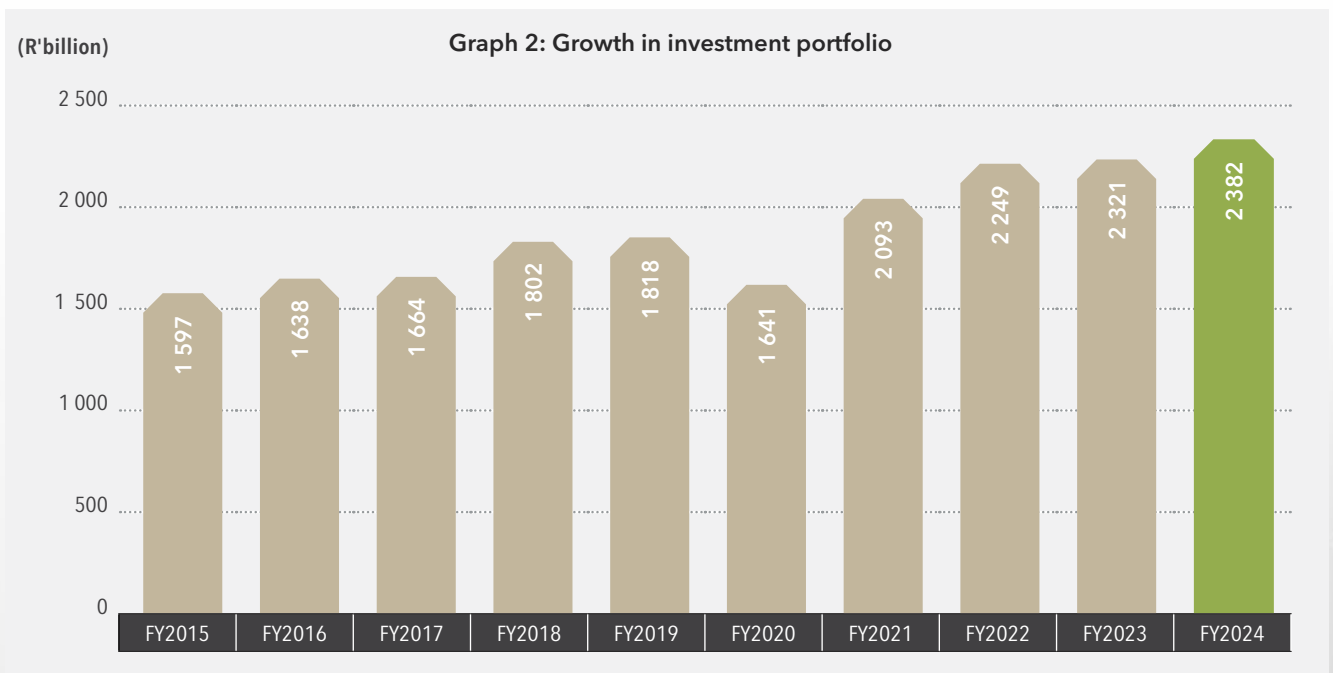
ACCUMULATED FUNDS AND RESERVES AS OF 31 MARCH 2024

The GEPF's accumulated funds and reserves amounted to R2.34 trillion on 31 March 2024. An amount of R5.27 billion is currently held in the reserve account. Accumulated funds and reserves grew at an average rate of 5.53% per year during the 2015 - 2024 period.



GROWTH IN INVESTMENT PORTFOLIO

The GEPF investment portfolio increased by 2.6% from R2.32 trillion in 2023 to R2.38 trillion in 2024.



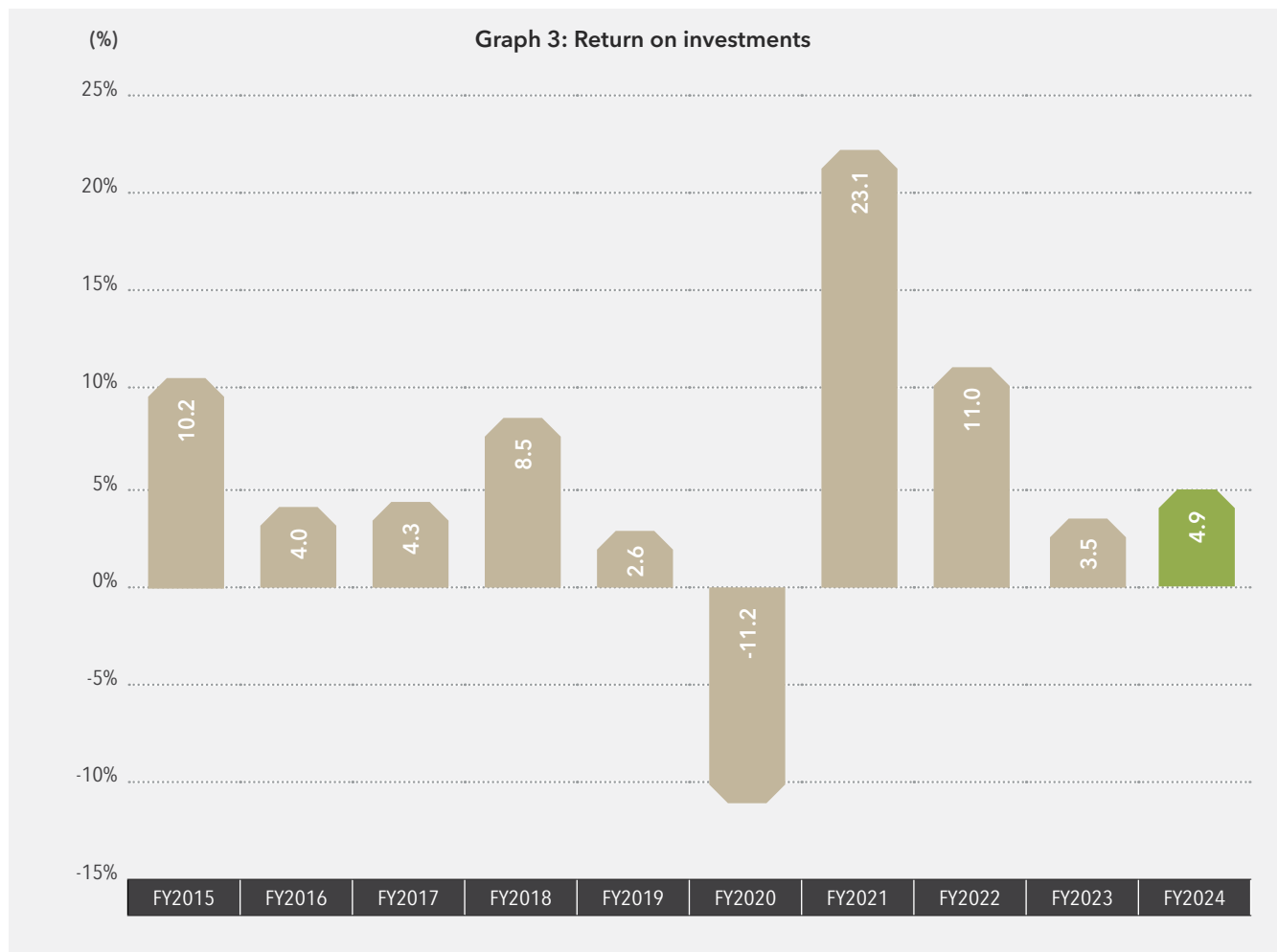
Below is the movement of major asset classes over the reporting period

Table 1: Movement of major asset classes

	2024 R'000	2023 R'000	Movement R'000	% change
Domestic and foreign listed equities	1 149 800 134	1 207 626 316	-57 826 182	-5%
Domestic bills and bonds	698 662 950	701 735 911	-3 072 961	-0.4%
Domestic unlisted equities	67 448 142	55 273 522	12 174 620	22%
Foreign collective investment schemes	259 601 972	186 486 173	73 115 799	39%

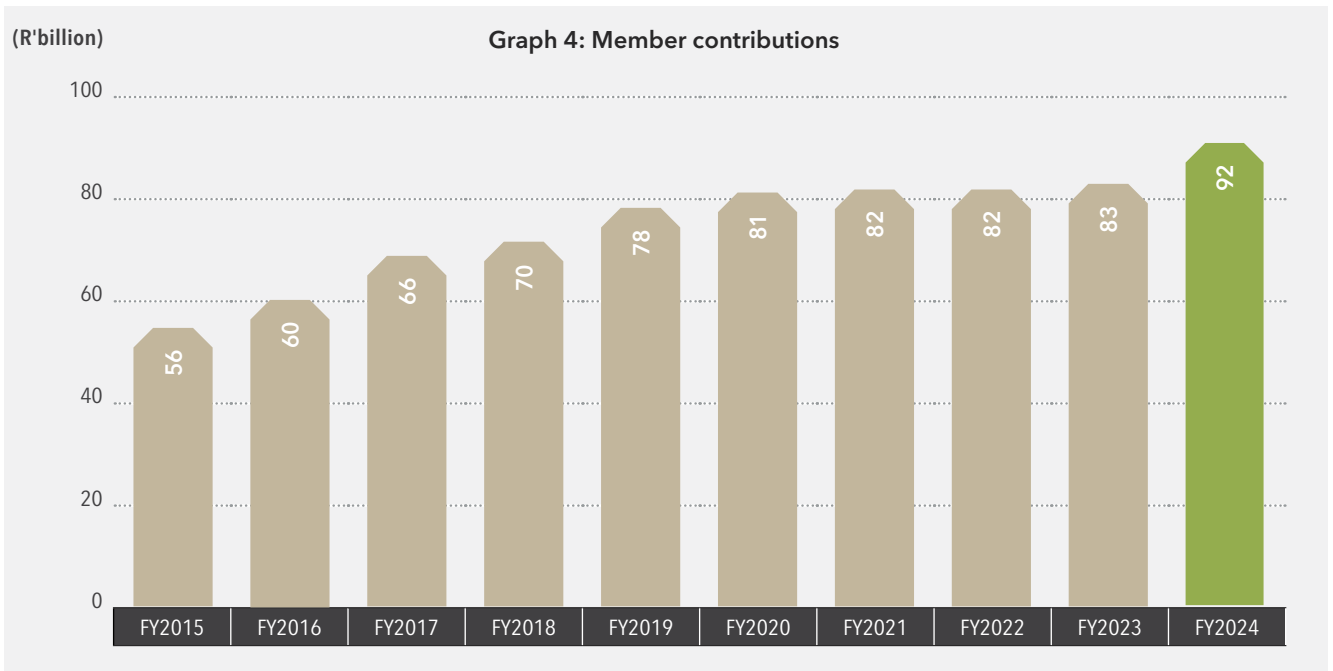
RETURN ON INVESTMENTS

During the reporting period, GEPF investments yielded a return of 4.9% compared to 3.5% in 2023, based on net investment income of R116.22 billion (2023: R82.19 billion). Income during the financial year under review included dividend income R52.04 billion (2023: R56.38 billion), interest income R59.72 billion (2023: R56.69 billion) and property income R2.07 billion (2023: R2.03 billion).



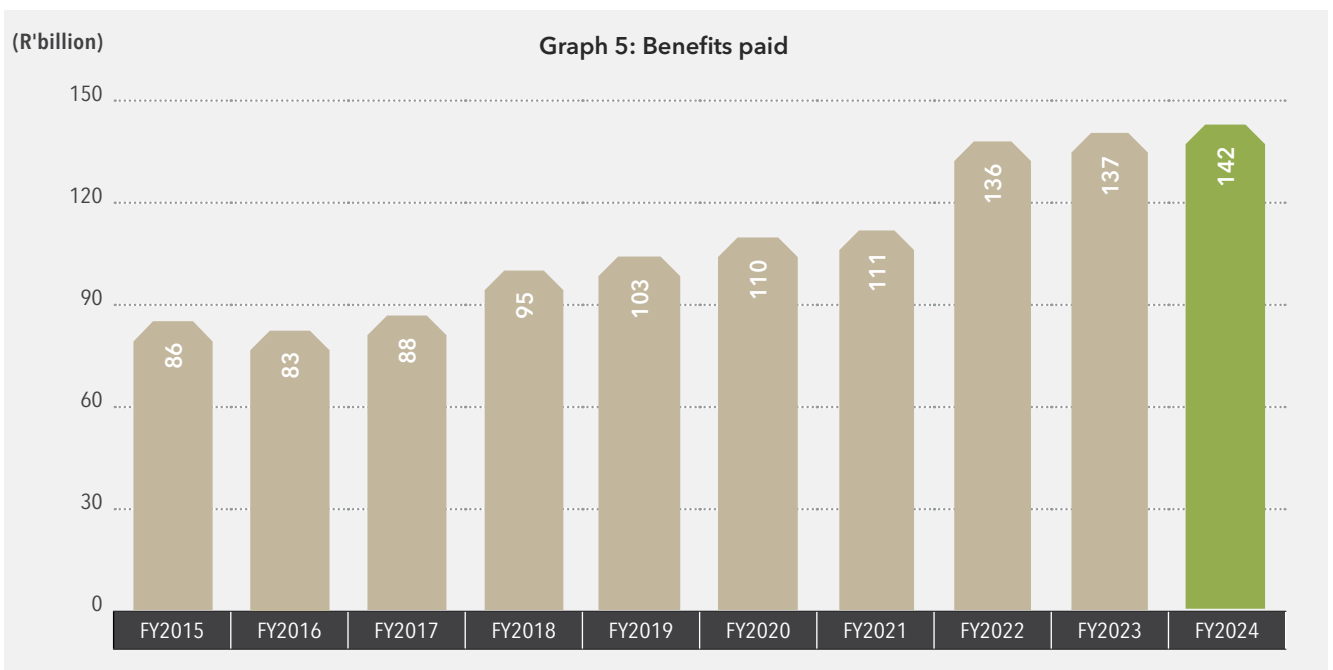
MEMBER CONTRIBUTIONS RECEIVED

The GEPF receives a percentage of members' pensionable salaries as contributions. Contributions income increased by 10.8% during the reporting period, from R82.97 billion to R91.94 billion in 2023/24.



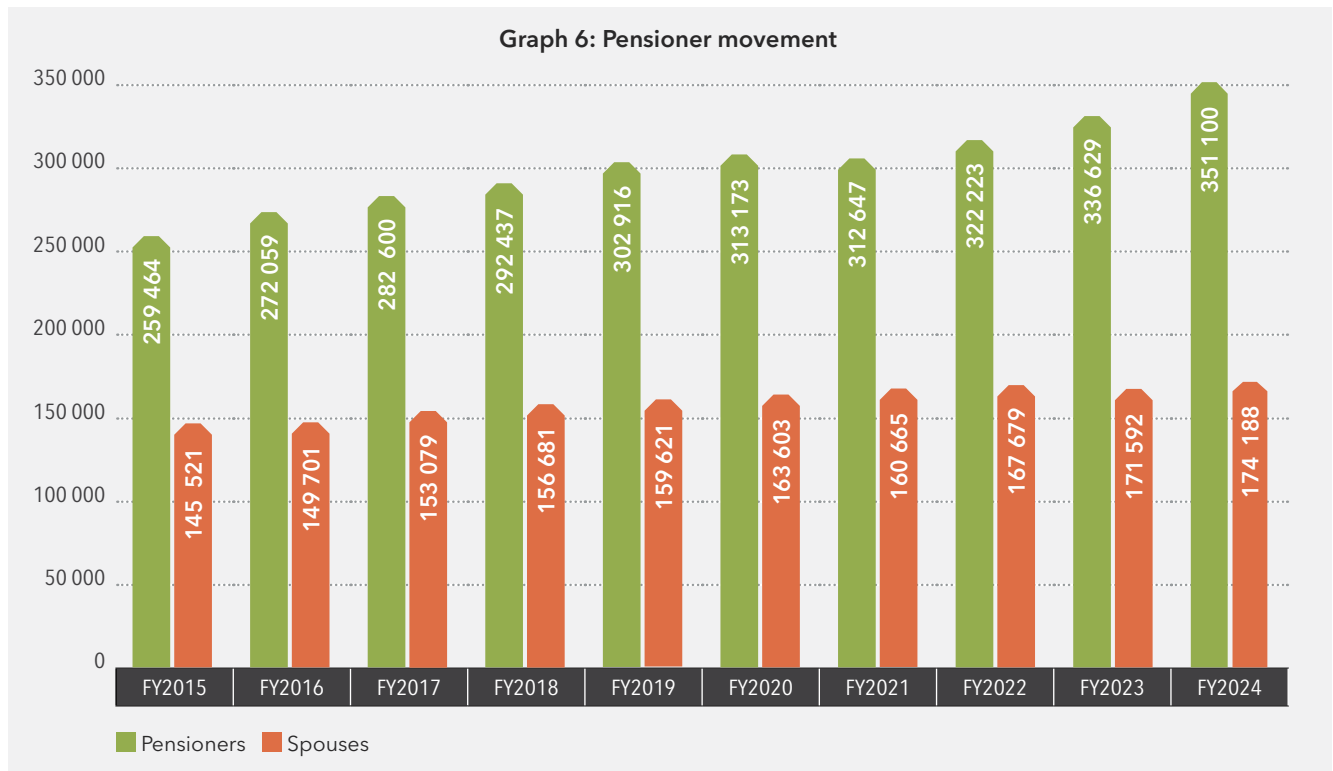
BENEFITS PAID

The GEPF awards benefits upon a member's resignation, retirement or death. The Fund also pays funeral benefits when applicable. Benefits paid increased by 3.59% from R137.43 billion to R142.36 billion.



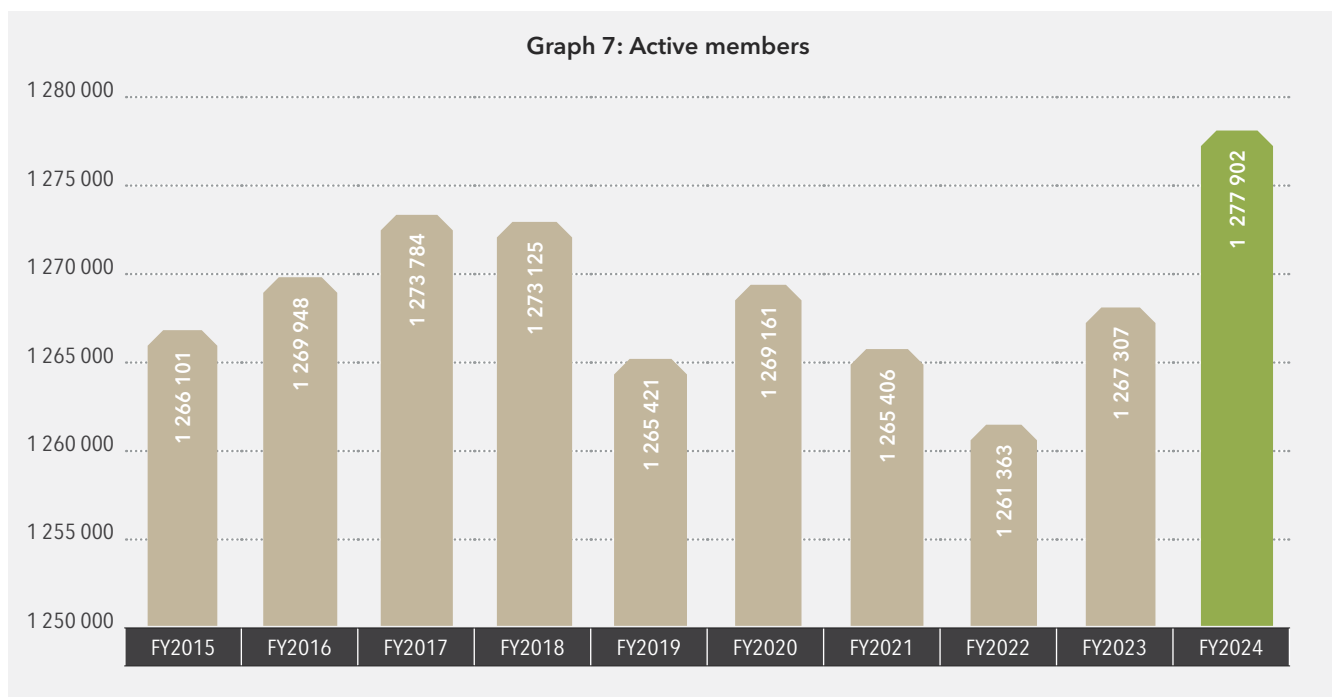
PENSIONER MOVEMENT

The number of pensioners has increased, as have the number of spouses receiving a monthly pension.



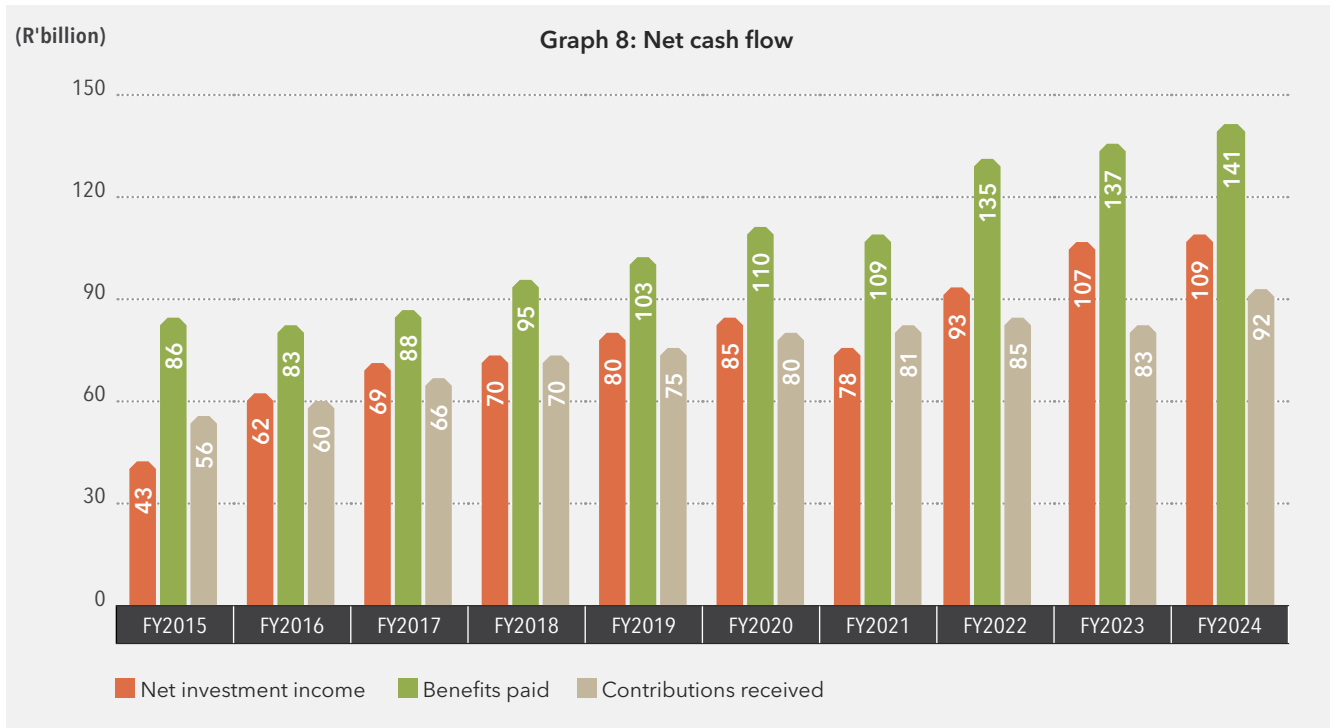
ACTIVE MEMBERS

The Funds' active membership has increased by 0.84% from the previous financial year and has reached its highest level to date. The Fund has generally experienced fluctuations in membership over the past five years, with an increase in 2020, a slight decrease in 2021 and 2022 and followed by continued growth in both 2023 and 2024.



NET CASH FLOW ASSESSMENT

The Fund's net cash flow position from operating activities was R59.71 billion as of 31 March 2024. This is largely attributable to benefits paid of R141.35 billion, net income received of R109.02 billion and contributions received of R91.94 billion. The Fund receives sufficient cash flows from its investment returns and contributions to ensure that all benefits are paid off without having to dispose of its investment assets.

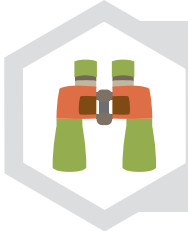




PART 3:

THE GEPF AT
A GLANCE

The Government Employees Pension Fund (GEPF or the Fund) is a pension fund established in 1996 in terms of section 2 of the GEP law. The Fund is a juristic person. It manages pension and related benefits for government employees in South Africa, and is currently the largest pension fund in South Africa and Africa and one of the largest in the world.



OUR VISION:

The GEPF is committed to being a global leader and reputable pension fund that delivers quality service to its beneficiaries.



OUR MISSION:

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

- Ensure the sustainability of the Fund.
- Provide efficient delivery of benefits.
- Empower our beneficiaries through effective communication.

It is the responsibility of the GEPF to safeguard and build financial wealth for current and future generations.

As a team, we ensure the sustainability of the Fund so that all beneficiaries can derive maximum benefit from placing their faith in us.



OUR VALUES:



INTEGRITY

- Being ethical and truthful.
- Maintaining good governance practices.
- Not misrepresenting or withholding information to which our stakeholders are entitled.



CLIENT-CENTRICITY

- Working collectively and cooperatively with our stakeholders.
- Caring.
- Maintaining customer focus.



TRANSPARENCY

- Communicating openly and frequently with our stakeholders.
- Setting out information in a format that is clear and understandable.
- Being open to scrutiny and oversight.



ACCOUNTABILITY

- Acting with due diligence, competence, confidentiality and reliability.



INNOVATION

- Championing research and development in the retirement industry worldwide.

OVERVIEW OF THE ORGANISATION

The GEPF is governed by the Government Employees Pension (GEP) Law (Proclamation 21 of 1996). Its core business is to manage and administer pensions and related benefits for government employees and employees of other participating employers.

The Board of Trustees is the executive authority of the Fund. Its powers and duties are prescribed by the GEP Law and the Rules of the Fund, which require that:

- Proper registers, books and records of the Fund are kept, including proper minutes of all resolutions passed by the Board
- Proper internal control systems are implemented by or on behalf of the Fund
- Adequate and appropriate information is communicated to the members of the Fund, informing them of their rights, benefits and duties under the rules of the Fund
- All reasonable steps are taken to ensure that contributions to the Fund are paid in a timely manner
- The Board of Trustees obtains expert advice on matters that require additional expertise
- The rules, operation and administration of the Fund comply with laws
- Investments are made and maintained in accordance with the Fund's investment strategy.

The GEPF Board of Trustees governs the Fund and is accountable for its administrative and investment performance. According to the GEP Law, fiduciary responsibility for the Fund rests with the Board.

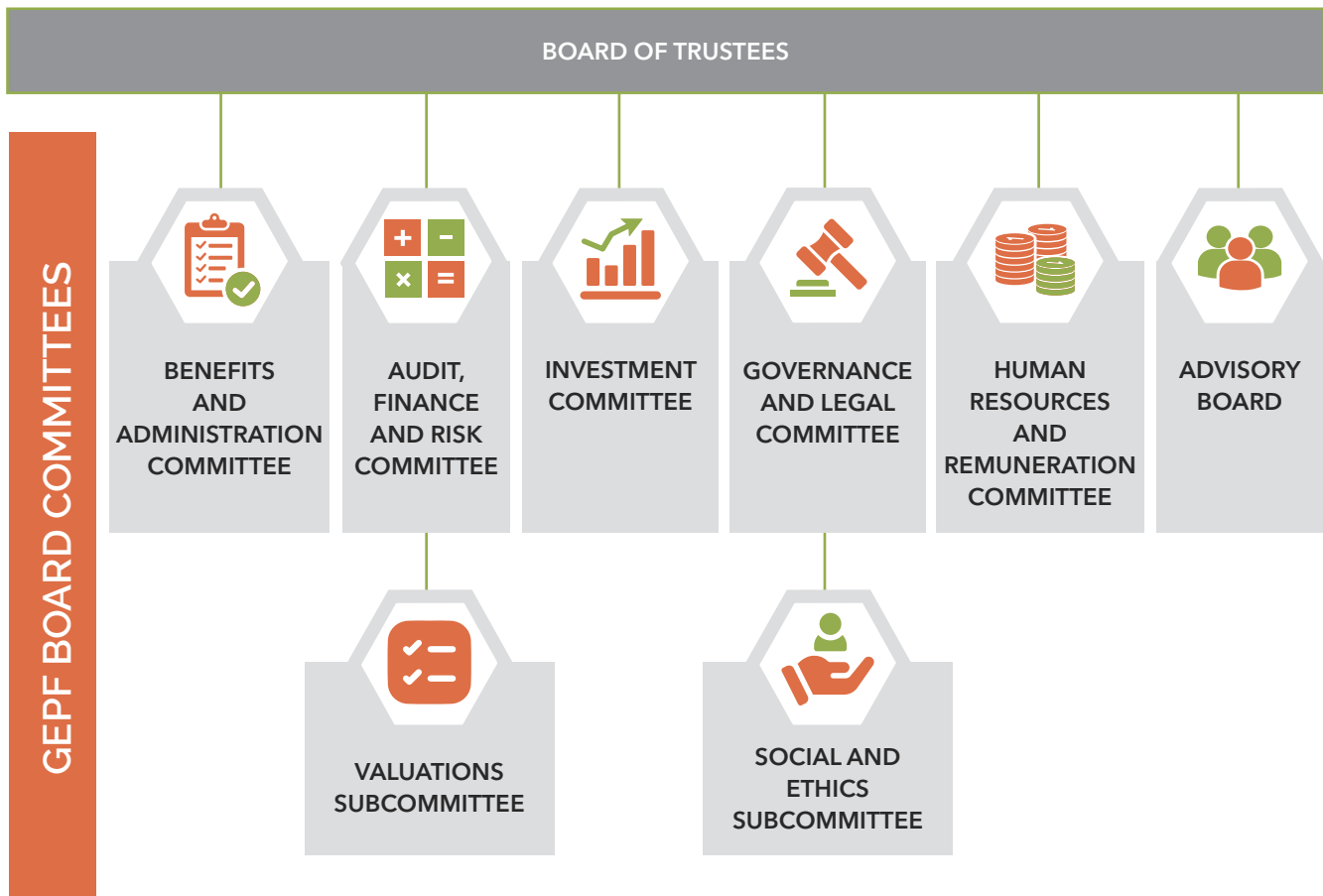
BOARD COMPOSITION

The GEPF Law requires that the Board consists of 16 trustees. The trustees elect the chairperson and deputy chairperson from their own ranks at the first meeting of a newly appointed Board. Each trustee has an elected or appointed substitute to always ensure full and proper representation.

The GEPF Board consists of:

- Eight employer nominees
- Eight employee nominees, who include a pensioner member and a representative of the South African National Defence Force and intelligence community.

The Board has established six permanent committees and two subcommittees to give effect to its strategic direction and to ensure proper oversight and monitoring of outsourced services.



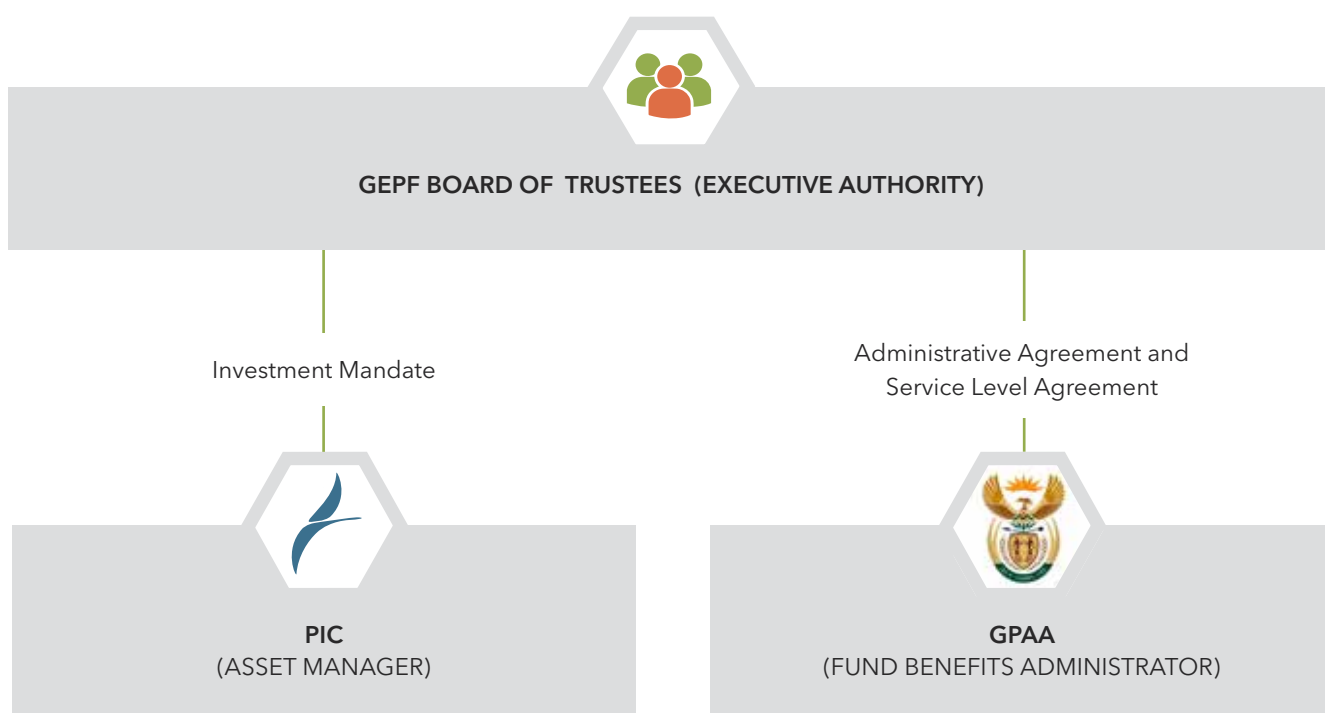
When necessary, the GEPF calls on external expert advisers to help it fulfil its fiduciary duties. These advisers are all appointed through a competitive bidding process and include:

- External auditors
- Internal auditors
- Fund valuers
- Legal and compliance experts
- Unlisted investment valuers.

OUTSOURCED INVESTMENT AND ADMINISTRATION

The GEPF has outsourced administration and investment to the Government Pensions Administration Agency (GPAA) and the Public Investment Corporation (PIC) respectively. The GPAA carries out day-to-day administration of the Fund, while the PIC invests funds on behalf of the GEPF.

The relationship with the GPAA and PIC is governed by various agreements and both report to the GEPF Board through its committees.



PUBLIC INVESTMENT CORPORATION

Established in 1911, the PIC is owned by the government of the Republic of South Africa and represented by its minister of finance. It is registered as a financial services provider with the Financial Sector Conduct Authority and is the largest asset manager in the country.

The PIC invests funds on behalf of the GEPF and other public-sector entities. The investment arrangements between the Fund and the PIC are set out in an investment mandate. The GEPF revised the mandate agreement for listed and unlisted investments during 2021/22, with the revised agreements signed during the first quarter of 2022/23.

The agreements include the GEPF's investment and derivatives policies, the investment portfolio structure, risk parameters, benchmarks and fees, and the proxy voting policy.

The PIC manages 78.44% of the GEPF's investment portfolio directly. The Fund has also appointed several private equity fund managers to manage a portion of the GEPF's unlisted investment portfolio. These investments are part of the Fund's internally managed portfolio.

PIC governance

The PIC is regulated by the PIC Act (Act 23 of 2004) as amended by the PIC Amendment Act (Act 14 of 2019), the Public Finance Management Act (Act 1 of 1999), the Companies Act (Act 71 of 2008) and the Prevention of

Organised Crime Act (Act 121 of 1998). The organisation also adheres to the provisions of the Financial Intelligence Centre Act (Act 38 of 2001).

The PIC Board of Directors sets the company's strategic direction and draws on the assistance of eight permanent committees:

- Audit Committee
- Risk Committee
- Social, Ethics and Transformation Committee
- Investment Committee - Listed Investments
- Investment Committee - Unlisted Investments
- Directors' Affairs Committee
- Human Resources and Remuneration Committee
- Information, Communication and Technology Governance Committee.

Oversight and monitoring of investments by the GEPF

The GEPF Investment Committee monitors the Fund's investments and oversees the implementation of its investment policy and strategy. The committee considers factors such as changes in GEPF liabilities and the expected return on assets, the likely volatility of the value of the Fund's assets and the implications that such changes may have on the funding level and contribution requirements or benefits of the GEPF.

The Investment Committee's duties include:

- Setting the Fund's investment policy, with approval from the Board of Trustees
- Determining the Fund's strategic asset allocation to align with its future liabilities
- Monitoring and reviewing the implementation of the Fund's investment strategy through its investment managers – primarily the PIC – to assure compliance with policy and procedure
- Monitoring investment performance by ensuring that an independent review and evaluation of the investment portfolio's returns and risks is conducted at least quarterly
- Reviewing quarterly investment reports and reporting on issues that need Board deliberation.

The Board established an Advisory Board in December 2022 to oversee and monitor the GEPF's PIC-managed unlisted investment portfolio, it began its work during the reporting period, with two independent specialists appointed to augment the skills, experience and expertise of Advisory Board members.

The Advisory Board oversees the implementation of the GEPF's unlisted investment strategy and ensures that the PIC:

- Reviews all buy-to-sell investments held for more than five years and discusses their intended disposal
- Provides an update on value creation for investments that are still in the value-creation phase
- Provides an update on any material negative or positive changes or events in respect of investments, including the results of the electronic monitoring of investments
- Provides an update on any politically exposed persons or parties related to an investment
- Discusses proposed classification of an investment and amendments to an existing classification
- Provides an update on the investment pipeline and anticipated capital calls
- Discusses details of upcoming investments (including the investment memorandums presented to the PIC Investment Committee), deal sourcing (including the numbers of deals per source and of deals evaluated), and the numbers of deals for which due diligence was undertaken and those approved for investment by the GEPF
- Obtains guidance on the GEPF's overall investment strategy
- Notifies the Advisory Board of any conflicts of interest.

A subcommittee of the Audit, Finance and Risk Committee, the Valuations Subcommittee, was established to advise on the relatively complex matter of the valuations of GEPF's unlisted investments.

Monitoring and oversight of GEPF investments is done primarily by management. The GEPF investment management unit bridges the gap between the PIC and GEPF investment committees by overseeing the implementation of the investment strategy set out in the investment mandate.

The unit also facilitates investment processes and eases the flow of information and communication between the GEPF and PIC. Meetings take place monthly or more frequently when necessary. There are also quarterly meetings between the executive committees of the PIC and GEPF to oversee the execution of the GEPF-PIC investment management agreement.

The investment committees and boards of the GEPF and the PIC meet at least twice a year to discuss strategic matters. The chairpersons of the two investment committees meet as required to discuss strategic investments.

GOVERNMENT PENSIONS ADMINISTRATION AGENCY

The GPAA was established in terms of section 7A (4) of the Public Service Act (1994) with effect from 1 April 2010.

The GPAA administers benefits on behalf of the GEPF and National Treasury. The relationship between the GPAA and GEPF is managed through an administration agreement and a service-level agreement. About 93% of the work done by the GPAA is for the GEPF and 7% is for National Treasury.

GPAA governance

The GPAA is headed by a chief executive officer assisted by an executive management committee. Internal committees including risk management and internal audit report to exco.

The GPAA reports to an independent audit committee and is guided by an advisory board appointed by the Minister of Finance, who is its executive authority.

Oversight and monitoring of benefits administration

The GEPF Benefits and Administration Committee oversees and monitors GPAA's performance. The committee meets quarterly to review the following GPAA reports:

- Compliance with the service level agreement
- Resignations from the GEPF
- Unclaimed benefits
- Modernisation update.

The executive committees of the GEPF and the GPAA meet quarterly to assess GPAA's performance in terms of the service level agreement and to discuss other strategic matters. Whenever necessary, the executive committees hold ad-hoc meetings.

GPAA submits its annual operating budget to the GEPF Audit, Finance and Risk Committee and presents it to the GEPF Board of Trustees for approval. As the committee monitors expenses, the GPAA must submit various financial reports to ensure that the Board has oversight over its financial management.

OUR FOOTPRINT

The GPAA head office is in Pretoria, with a separate service centre. Members and beneficiaries also have access to GPAA via its service centres in:

LIMPOPO

- Thohoyandou
- Polokwane

NORTH WEST

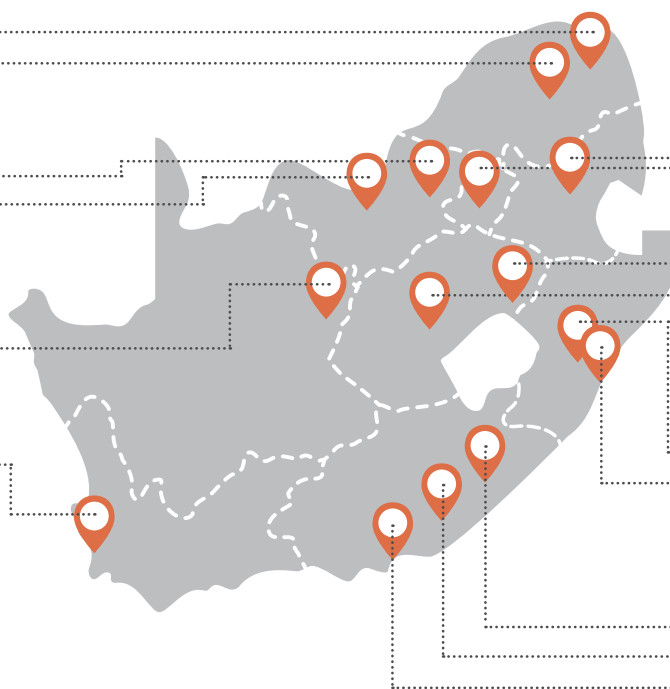
- Rustenburg
- Mahikeng

NORTHERN CAPE

- Kimberley

WESTERN CAPE

- Cape Town



MPUMALANGA

- Mbombela

GAUTENG

- Johannesburg

FREE STATE

- Phuthaditjhaba
- Bloemfontein

KWAZULU-NATAL

- Pietermaritzburg
- Durban

EASTERN CAPE

- Mthatha
- Bhisho
- Gqeberha

GPAA CONTACT DETAILS:

Toll free number: 0800 117 669
Email: enquiries@gepf.co.za

Fax: 012 326 2507
Web: www.gepf.gov.za



PART 4:

GOVERNANCE

CHAIRPERSON'S REVIEW

It is my honour to present the GEPF 2023/24 annual report to the Fund's stakeholders.

It was a turbulent and uncertain year for investors in South Africa and globally. The continuing Russia-Ukraine war and the conflict in the Middle East, with Israel's continued military action in Palestine, created instability in local and international markets.

Despite the volatile environment, the Board and management team did not lose sight of its key objective of ensuring Fund assets' continued growth to meet obligations to members, pensioners and beneficiaries now and into the future.

I can confidently state that the GEPF is financially strong and resilient. Notwithstanding the pressure South Africans find themselves in with a poor performing economy, the Fund continues to meet stakeholder needs. We realise that during uncertain times, a reliable income, especially for our pensioners and beneficiaries, is crucial. We hope that the 6% pension increase and the increase of 33% in the funeral benefit that we provided from April 2024 will lessen the financial burden many face.

ECONOMIC ENVIRONMENT

South Africa's economy is growing extremely slowly despite increased output, which points to structural problems holding the country back. This is illustrated by economic growth of a mere 0.6%. The prognosis is that inflation will return to the midpoint of the target band only in the last quarter of 2025. Against South Africa's inflation target range of 3% to 6%, we expect inflation of around 4.9% for the year.

According to South African Reserve Bank (SARB) forecasts, South Africa's economic growth is set to average just over 1% during the next two years. Clearly, this calls for structural changes to boost the economy. SARB predicts 1.2% gross domestic product (GDP) growth for South Africa in 2024



Mr Dondo Mogajane
*Chairperson: GEPF Board
of Trustees*

and has cited supply-side problems as the reason for low growth in 2023. In its March 2024 Monetary Policy Statement, the organisation stated that loadshedding was worse than in previous years. Port and rail problems also emerged as binding constraints on output. The recent reduction in loadshedding is welcomed as it will ease the situation somewhat. SARB estimated electricity shortages shaved 1.5 percentage points off GDP last year.

Long-term growth is highly dependent on improving capacity in energy, freight rail and ports and on continuing to reduce structural barriers to economic activity. The government's economic growth strategy prioritises macroeconomic stability, structural reforms and improvements in state capability to raise growth rates sustainably. This approach will, in the long run, improve the local economy and benefit investors such as the GEPF.

What is still concerning is that South Africa's GDP outlook by the International Monetary Fund is the second lowest in sub-Saharan Africa after the 0.5% predicted for Equatorial Guinea. Allocating funding in such a depressed environment calls for a strong and disciplined approach to investing and managing an entity as large as the GEPP. Careful consideration of this has been key to our continuous growth.

REGULATORY MATTERS

The GEPP has worked tirelessly to ensure readiness to implement the new two-pot retirement system that emanated from the Revenue Laws Amendment Bill signed into law on 1 June 2024. The law was signed post the reporting period but the work to prepare the Fund for implementation took place during 2023/24. Comprehensive communications and educational material were made available to our members explaining the intricacies of the new approach. System updates, rule changes and calculators were updated to accommodate the change.

FUND PERFORMANCE

The Fund has shown resilience in the face of slow economic growth, high unemployment and amid the global challenges of conflicts, high energy costs and inflation. Growth in investments during 2023/24 was up by 2.6% year on year - an increase of R61 billion to R2.38 trillion.

Returns were varied in the asset classes in which the Fund invests.

Being a long-term investor, the Fund has produced annualised returns of 7.20% over 10 years, growing its assets under management from R1.6 trillion to R2.38 trillion. This performance is acceptable to the Board of Trustees considering the poor economic climate especially since 2020.

Despite the short-term market volatilities that pension funds and investors experience, our strategy and focus will always be on long-term performance of the Fund. This approach has not failed us since our inception in 1996, when our assets were valued at R270 billion. Clearly, the Fund's investment strategies continue to protect its assets.

CLIMATE CHANGE

Climate change is among the most significant global challenges of our time and has far-reaching consequences for South Africa. The Board is cognisant that this factor threatens not only the environment but society, the economy and the wellbeing of beneficiaries. We also acknowledge the GEPP's role in supporting the nation's transition toward a just and more sustainable, low-carbon and climate-resilient future. An intricate balancing act is required to ensure both a sustainable future and quality of life for citizens.

The Fund can leverage its current and future investments to promote environmentally responsible practices and contribute to the broader goals of climate action. The Board approved a formal climate change policy during the reporting period that augments the responsible investment policy. The organisation's commitment to making investments with a positive developmental impact, where there is a need for funding and where appropriate risk-adjusted returns can be earned, is articulated in its developmental investment policy. This policy, which supports and guides investment to create a sustainable, equitable and inclusive economy, was reviewed during the reporting period and the Board approved a developmental investment strategy.

ENHANCED SERVICE DELIVERY AND BENEFITS

The Board realises that some members and beneficiaries have experienced service delivery challenges from the Fund's administrator, the GPAA. We also acknowledge our fiduciary duty to ensure that benefits are paid to beneficiaries correctly and on time. Thus we are revising the current operating model to ensure effective and efficient administration services. This project is in its early stages and I hope to share more details in my next chairperson's report.

The Board is also investigating models to provide value-added benefits to members and beneficiaries. This strategic initiative should be finalised by the end of the current financial year and results will be reported in the next annual report. The 6% inflationary increase to beneficiaries from 1 April 2024 was well received by our beneficiaries, as was the 33% increase in funeral benefits.

APPRECIATION

I thank the Board of Trustees, the principal executive officer, Musa Mabesa, and his executive team and all GEPF employees for their commitment to being equal to the challenges of the past year. Their dedication demonstrates that the GEPF is indeed financially sound and in capable hands.

The Board remains committed to growing the Fund and to meeting the needs of all members and pensioners.



Mr Dondo Mogajane

GEPF Chairperson

BOARD OF TRUSTEES



MR DONDO MOGAJANE (54)

Independent non-executive director on various boards

GEPF positions:

- Employer-nominated trustee
- Chairperson of the Board of Trustees
- Chairperson of the Investment Committee
- Member of the Benefits and Administration Committee
- Invitee to the Advisory Board

Qualifications

- Master's in public management - University of Maryland: College Park
- BAdmin (Hons) in public management - University of Durban Westville
- BAdmin (Hons) in industrial relations - University of Durban Westville
- Management advancement programme - Wits Business School
- Programme in budgeting and public financial management - Harvard University, Kennedy School of Government
- Performance based budget and public financial management - University of Cape Town, Graduate School of Business (Afrec)

Meeting attendance

Board meetings	6/6
Advisory Board	3/4
Investment Committee	6/7
Benefits and Administration Committee	2/4
Board training and strategic planning session	6/7



MR EDDIE KEKANA (60)

Provincial chairperson: South African Democratic Teachers' Union (SADTU), Gauteng

GEPF positions:

- Employee-nominated trustee
- Deputy chairperson of the Board of Trustees
- Chairperson of the Social and Ethics Sub-Committee
- Member of the Governance and Legal Committee
- Member of the Investment Committee

Qualifications

- Secondary teacher's diploma
- Advanced certificate in education
- Higher certificate in economic development
- Certificate programme in human resource management - University of South Africa
- Certificate programme in project management - Regenesys Business School
- Advance Programme in Human Resource Management - University of South Africa
- BEd (Hons) in educational management - University of South Africa
- Board effectiveness - Toronto University, Canada
- Trustee effectiveness - Gordon Institute of Business Science

Meeting attendance

Board meetings	6/6
Governance and Legal Committee	4/4
Investment Committee	7/7
Social and Ethics Subcommittee	4/4
Board training and strategic planning session	7/7



MS THANDI KHOZA (62)

Chief director: human resource management development and labour relations: Department of Basic Education

GEPF positions:

- Employer-nominated trustee
- Member of the Benefits and Administration Committee
- Member of the Governance and Legal Committee
- Member of the Human Resources and Remuneration Committee

Qualifications

- BA in social work - University of the North
- BSocSc (Hons) - University of South Africa
- Advanced diploma in social work - North-West University
- Master's in public administration - University of Pretoria

Meeting attendance	
Board meetings	6/6
Benefits and Administration Committee	4/4
Governance and Legal Committee	4/4
Human Resources and Remuneration Committee	2/2*
Board training and strategic planning session	6/6

*Appointed to serve on the Committee in Oct 2023



MS KGOMOTSO MAKHUPOLA (54)

National treasurer: National Health, Education and Allied Workers' Union (NEHAWU)

GEPF positions:

- Employee-nominated trustee
- Chairperson of the Benefits and Administration Committee
- Member of the Investment Committee

Qualifications

- Diploma in public relations - Allenby College
- Certificate in human resource development and management - Damelin College
- Certificate in economic development - University of the Western Cape

Meeting attendance	
Board meetings	6/6
Benefits and Administration Committee	4/4
Investment Committee	7/7
Board training and strategic planning session	7/7



MR NTSOARENG MAROTHOLI (54)

Chief financial officer: State Security Agency

GEPF positions:

- Employer-nominated trustee
- Chairperson of the Audit, Finance and Risk Committee
- Member of the Investment Committee
- Standing invitee to the Valuations Subcommittee

Qualifications

- Postgraduate diploma in business administration - University of South Africa
- Certificate programme in leadership development - Wits Business School
- Associate Chartered Institute of Secretaries and Administrators
- Certificate in public finance - Harvard Kennedy School of Government
- National diploma in accounting - Mangosuthu University of Technology

Meeting attendance	
Board meetings	5/6
Audit, Finance and Risk Committee	7/7
Investment Committee	7/7
Valuations Subcommittee (standing invitee)	3/3
Board training and strategic planning session	8/8



MR CHRISTO VAN DYK (64)

GEPF pensioner

GEPF positions:

- Employee-elected trustee
- Member of the Audit, Finance and Risk Committee
- Member of the Investment Committee

Qualifications

- Registered government auditor qualification examination
- BCom (Hons) - University of South Africa
- BCom - University of South Africa

Meeting attendance	
Board meetings	3/6
Audit, Finance and Risk Committee	6/7
Investment Committee	5/7
Board training and strategic planning session	4/6



MR THABO MATSOSE (52)

President: South African Policing Union (SAPU)

GEPF positions:

- Employee-nominated trustee
- Member of the Benefits and Administration Committee
- Member of the Governance and Legal Committee

Qualifications

- National diploma in policing - University of South Africa

Meeting attendance	
Board meetings	6/6
Benefits and Administration Committee	4/4
Governance and Legal Committee	4/4
Board training and strategic planning session	6/6



MS LEBO MOKGABUDI (41)

Financial inclusion expert: International Financial Corporation and independent non-executive director on various boards

GEPF positions:

- Employer-nominated trustee
- Member of the Advisory Board
- Member of the Audit, Finance and Risk Committee
- Member of the Investment Committee
- Member of the Valuations Subcommittee

Qualifications

- MBA - Gordon Institute of Business Science
- BCom (Hons) in financial management - University of Witwatersrand
- BCom in corporate finance and information systems - University of Witwatersrand
- Certificate in fintech - Said Business School, University of Oxford
- Certificate in digital finance - The Fletcher School at Tufts University
- Certified director - Institute of Directors, UK

Meeting attendance	
Board meetings	5/6
Advisory Board	4/4
Audit, Finance and Risk Committee	7/7
Investment Committee	6/7
Valuations Subcommittee	3/3
Board training and strategic planning session	7/7



**MR SIPHO
NKAMBULE (59)**

*Police and Prisons Civil Rights
Union*

GEPF positions:

- Employee-nominated trustee
- Member of the Benefits and Administration Committee
- Member of the Human Resources and Remuneration Committee
- Member of the Social and Ethics Subcommittee

Qualifications

- Advanced diploma in labour law - University of Johannesburg
- Postgraduate diploma in labour law - North-West University
- National diploma in policing - Technikon South Africa

Meeting attendance	
Board meetings	6/6
Benefits and Administration Committee	3/4
Human Resources and Remuneration Committee	6/7
Social and Ethics Subcommittee	3/4
Board training and strategic planning session	6/6



**MR MUSA
NKOSI (52)**

*Senior manager human resources
services: State Security Agency*

GEPF positions:

- Employee-elected trustee
- Member of the Advisory Board
- Member of the Benefits and Administration Committee
- Member of the Investment Committee

Qualifications

- BAdmin - University of the North
- Management development programme - Wits Business School
- Postgraduate diploma in business management - MANCOSA

Meeting attendance	
Board meetings	6/6
Advisory Board	4/4
Benefits and Administration Committee	4/4
Investment Committee	7/7
Board training and strategic planning session	6/6



**MS BUYISWA
NKUNJANA (48)**

*Director human resources
governance, risk management
and compliance: Department of
Defence*

GEPF positions:

- Employer-nominated trustee
- Chairperson of the Human Resources and Remuneration Committee (appointed on 27 March 2024)
- Member of the Benefits and Administration Committee
- Member of the Investment Committee

Qualifications

- BAdmin (Hons) - Stellenbosch University
- Postgraduate diploma in applied social science - University of KwaZulu-Natal
- BSocSc - University of KwaZulu-Natal

Meeting attendance	
Board meetings	6/6
Benefits and Administration Committee	3/4
Investment Committee	5/7
Human Resources and Remuneration Committee	2/2*
Board training and strategic planning session	6/6

**Appointed to serve on the Committee in Oct 2023*



**MR PIERRÉ
SNYMAN (50)**

*Public Servants Association of South Africa
Vice president: Public sector - Federation of Unions of South Africa (FEDUSA)*

GEPF positions:

- Employee-nominated trustee
- Chairperson of the Governance and Legal Committee
- Member of the Human Resources and Remuneration Committee

Qualifications

- Advanced labour law programme - University of South Africa
- Postgraduate diploma in labour law - University of the Western Cape
- Executive Education: Chartered Director - Institute of Directors South Africa (phase 2)
- Executive Education: Pension Management - International Centre for Pension Management, University of Toronto

Meeting attendance	
Board meetings	6/6
Governance and Legal Committee	4/4
Human Resources and Remuneration Committee	7/7
Board training and strategic planning session	7/7



**MR BARNIE
NTLOU (59)**

Senior manager supply chain management: Housing Development Agency

GEPF positions:

- Employer-nominated trustee
- Member of the Audit, Finance and Risk Committee
- Member of the Governance and Legal Committee

Qualifications

- BProc - University of Transkei
- Advanced law certificate - Tshwane University of Technology

Meeting attendance	
Board meetings	6/6
Audit, Finance and Risk Committee	7/7
Governance and Legal Committee	4/4
Board training and strategic planning session	6/6



**MR GREG
RAFFERTY (54)**

Chairperson: Health and Other Services Personnel Trade Union of South Africa (HOSPERSA)

GEPF positions:

- Employee-nominated trustee
- Member of the Benefits and Administration Committee
- Member of the Governance and Legal Committee

Qualifications

- Senior certificate

Meeting attendance	
Board meetings	6/6
Benefits and Administration Committee	4/4
Governance and Legal Committee	4/4
Board training and strategic planning session	6/6



**LIEUTENANT-GENERAL
LINEO NKHUA (51)**

*Deputy director-general personnel management:
South African Police Service (SAPS)*

GEPF positions:

- Employer-nominated trustee
- Member of the Benefits and Administration Committee
- Member of the Governance and Legal Committee
- Member of the Social and Ethics Subcommittee

Qualifications

- Secondary education diploma - Vista University
- Bachelors Artium - Vista University
- Postgraduate diploma in public administration - University of the Free State
- Executive development and leadership - North-West University
- Strategic management - University of South Africa
- Leadership development - Wits Graduate School of Business Administration
- Law enforcement executive development - FBI Academy, Quantico,
- CPM pension governance education programme - University of Toronto
- Property management and development

Meeting attendance	
Board meetings	6/6
Benefits and Administration Committee	4/4
Governance and Legal Committee	4/4
Social and Ethics Subcommittee	4/4
Board training and strategic planning session	6/6



MR ZETHU MSINDO (58)

Independent non-executive director on various boards

GEPF positions:

- Employer-nominated trustee
- Chairperson of the Advisory Board
- Member of the Benefit and Administration Committee
- Member of the Investment Committee
- Member of the Valuations Subcommittee

Qualifications

- Master's in management of finance and investments - Wits Business School
- Diploma in investment analysis and portfolio management - University of Johannesburg
- MBA - North-West University
- BSc in chemistry and chemical sciences - University of Witwatersrand
- Certificate in fundamentals in group benefits - International Foundation of Employee Benefit Plans
- Certificate in retirement plans associate - International Foundation of Employee Benefits and Dalhousie University
- Programme in business leadership - Unisa Business School
- Management advancement programme - Wits Business School
- FSB regulatory examination
 - » RE 5: Representative - FPI
 - » RE 1: Key Individual - Moonstone

Meeting attendance	
Board meetings	6/6
Advisory Board	4/4
Benefits and Admin Committee	4/4
Investment Committee	7/7
Valuations Subcommittee	3/3
Board training & strategic planning session	8/8

SUBSTITUTE TRUSTEES



MS LINDY BODEWIG (45)

Chief director in the office of the accountant general: National Treasury

GEPF positions:

- Employer-nominated substitute trustee
- Member of the Advisory Board
- Member of the Audit, Finance and Risk Committee
- Member of the Governance and Legal Committee
- Member of the Valuations Subcommittee

Qualifications

- Chartered accountant (SA)
- BCom (Hons) in accounting sciences and CTA - University of Pretoria

Meeting attendance	
Audit, Finance and Risk Committee	5/7
Advisory Board	2/4
Governance and Legal Committee	2/4
Valuations Subcommittee	2/3
Board training and strategic planning session	2/7



MS ANADELE COETZEE (55)

Director: Public Servants Association of South Africa (PSA)

GEPF positions:

- Employee-nominated substitute trustee
- Member of the Benefits and Administration Committee
- Member of the Governance and Legal Committee

Qualifications

- HIV/Aids awareness peer educator
- Skills development facilitator
- Certificates in labour relations and advanced labour skills, records management, investment fundamentals in active ownership, leadership development and emotional intelligence, customer service excellence and business management

Meeting attendance	
Benefits and Administration Committee	4/4
Governance and Legal Committee	4/4
Board training and strategic planning session	6/6



REV DAVID JANTJIES (72)

GEPF pensioner

GEPF positions:

- Employee-elected substitute trustee
- Member of the Benefits and Administration Committee
- Member of the Governance and Legal Committee

Qualifications

- Primary teacher's diploma - Southern Cape Teachers' College
- BA - University of South Africa
- BEd - University of the Western Cape
- MEd - University of the Western Cape

Meeting attendance	
Board meetings	3/3*
Benefits and Administration Committee	4/4
Governance and Legal Committee	4/4
Board training and strategic planning session	6/6

**Attended on behalf of the Trustee*



**MR SIDNEY
KGARA (54)**

*Head of policy development unit:
National Education, Health and
Allied Workers' Union (NEHAWU)*

GEPF positions:

- Employee-nominated substitute trustee
- Member of the Audit, Finance and Risk Committee
- Member of the Investment Committee

Qualifications

- BSocSci - University of KwaZulu-Natal
- Master's in town and regional planning - University of KwaZulu-Natal

Meeting attendance	
Audit, Finance and Risk Committee	7/7
Investment Committee	6/7
Board training and strategic planning	2/6



**MAJOR-GENERAL
NICHOLAS LUSHABA (40)**

*Chief financial officer: Crime
intelligence: Secret Service
Account*

GEPF positions:

- Employer-nominated substitute trustee
- Member of the Audit, Finance and Risk Committee
- Member of the Investment Committee

Qualifications

- Master's in management - Southern Business School
- Postgraduate diploma in risk management - University of South Africa
- Advanced programme in risk management - University of South Africa
- BAdmin (Hons) - Southern Business School
- BCom in accounting - University of KwaZulu-Natal

Meeting attendance	
Audit, Finance and Risk Committee	6/7
Investment Committee	5/7
Board training and strategic planning session	4/6



**MS LERATO
MAKWETLA (57)**

Admitted attorney

GEPF positions:

- Employer-nominated substitute trustee
- Member of the Advisory Board
- Member of the Governance and Legal Committee
- Member of the Investment Committee

Qualifications

- LLM - University of the Witwatersrand
- Management development programme - University of Cape Town
- LLB - University of the Witwatersrand
- BA - University of the Witwatersrand

Meeting attendance	
Governance and Legal Committee	4/4
Advisory Board	4/4
Investment Committee	7/7
Board training and strategic planning session	6/6



**MR MODIBEDI
MALEDU (52)**

Acting manager management accounting: State Security Agency

GEPF positions:

- Employer-nominated substitute trustee
- Member of the Benefits and Administration Committee
- Member of the Governance and Legal Committee

Qualifications

- BCompt - University of South Africa
- National diploma in cost and management accounting - Technikon South Africa

Meeting attendance	
Benefits and Administration Committee	3/4
Governance and Legal Committee	4/4
Board training and strategic planning session	5/6



**MR SOLLY
MALEMA (45)**

General secretary: National Union of Public Service and Allied Workers (NUPSAW)

GEPF positions:

- Employee-nominated substitute trustee
- Member of the Audit, Finance and Risk Committee
- Member of the Governance and Legal Committee

Qualifications

- Business management diploma - Capricorn Further Education and Training College
- Certificate in labour dispute resolution - Stellenbosch University
- Certificate in management development practices - University of Pretoria
- Management development programme

Meeting attendance	
Audit, Finance and Risk Committee	7/7
Governance and Legal Committee	4/4
Board training and strategic planning session	5/6



**MR SIBUSISO
MALINGA (56)**

President: National Teachers' Union (NATU)

GEPF positions:

- Employee-nominated substitute trustee
- Member of the Benefits and Administration Committee
- Member of the Governance and Legal Committee

Qualifications

- Senior Secondary Teacher's diploma - University of Zululand
- Outcome-based education certificate - University of South Africa
- Adult basic education and training certificate - University of South Africa

Meeting attendance	
Benefits and Administration Committee	2/4
Governance and Legal Committee	4/4
Board training and strategic planning session	4/6



DR MUGWENA MALULEKE (59)

General secretary: South African Democratic Teachers' Union (SADTU)

GEPF positions:

- Employee-nominated substitute trustee
- Member of the Benefits and Administration Committee
- Member of the Audit, Finance and Risk Committee

Qualifications

- BA - University of South Africa
- Primary Teacher's diploma
- LLM in labour law - Nelson Mandela Metropolitan University
- MBA
- Diploma in negotiations
- Certificate in project management - Regenesys
- Certificate in personal finance management - University of South Africa

Meeting attendance	
Benefits and Administration Committee	2/4
Audit, Finance and Risk Committee	5/7
Board training and strategic planning session	3/6



MS EMILY MMOLA (50)

Director internal audit (chief audit executive): Department of Basic Education

GEPF positions:

- Employer-nominated substitute trustee
- Member of the Audit, Finance and Risk Committee
- Member of the Investment Committee
- Member of the Social and Ethics Subcommittee

Qualifications

- Professional internal auditor
- Postgraduate certificate in executive leadership - North-West University
- Postgraduate diploma internal auditing - Tshwane University of Technology
- BCom - University of the North

Meeting attendance	
Audit, Finance and Risk Committee	7/7
Investment Committee	6/7
Social and Ethics Subcommittee	4/4
Board training and strategic planning session	6/6



DR ZAMOKUHLE SHABANE (43)

Deputy director: human resources separation: Department of Defence

GEPF positions:

- Employer-nominated substitute trustee
- Member of the Benefits and Administration Committee
- Member of the Governance and Legal Committee

Qualifications

- DTech in human resources management - Tshwane University of Technology
- MTech in human resources management - Tshwane University of Technology
- BTech in human resources management - Tshwane University of Technology
- National diploma in human resources management - Durban University of Technology

Meeting attendance	
Benefits and Administration Committee	4/4
Governance and Legal Committee	4/4
Board training and strategic planning session	6/6



ADV MAKHUBALO NDABA (53)

Independent non-executive director on various boards

GEPF positions:

- Employer-nominated substitute trustee
- Member of the Advisory Board
- Member of the Governance and Legal Committee
- Member of the Investment Committee
- Member of the Social and Ethics Subcommittee

Qualifications

- Fellow - Harvard University, Harvard Business School
- LLM - University of Central Lancashire
- LLB - University of Transkei
- BLuris - University of Transkei
- Diploma in legislation drafting - University of Johannesburg
- Advanced research diploma - International Institute of Social Studies, Netherlands
- Executive Education: Corporate Governance - Gordon Institute of Business Science
- Executive Education: Corporate Governance - Institute of Directors South Africa
- Executive Education: Impact Investments - Said Oxford Business School
- Executive Education: Responsible Investment - Hauser Institute, Harvard University
- Executive Education: Pension Management - International Centre for Pension Management, University of Toronto



MR VUSUMUZI TSHABALALA (63)

Programme manager: Police and Prisons Civil Rights Union (POPCRU)

GEPF positions:

- Employee-nominated substitute trustee
- Member of the Benefits and Administration Committee
- Member of the Governance and Legal Committee

Qualifications

- Leadership development programme - University of the Witwatersrand
- Leadership and management programme - University of the Witwatersrand
- Leadership and management programme - MSC College

Meeting attendance	
Benefits and Administration Committee	2/4
Governance and Legal Committee	3/4
Board training and strategic planning session	2/6

Meeting attendance	
Board meetings	1/1*
Governance and Legal Committee	4/4
Advisory Board	4/4
Investment Committee	6/7
Social and Ethics Subcommittee	4/4
Board training and strategic planning session	6/6

**Attended on behalf of the Trustee*



LT-COL (DR) BERNARD VAN NIEUWENHUYZEN (56)

Senior lecturer: Military Academy, Stellenbosch University

GEPF positions:

- Employee-elected substitute trustee
- Member of the Advisory Board
- Member of the Benefits and Administration Committee
- Member of the Investment Committee

Qualifications

- BMil - Stellenbosch University
- BMil (Hons) - Stellenbosch University
- MCom - Stellenbosch University
- PGDip: financial planning - Stellenbosch University
- Certified financial planner®
- PhD in public and development management - Stellenbosch University
- MSc in property studies - University of Cape Town

Meeting attendance	
Benefits and Administration Committee	4/4
Advisory Board	4/4
Investment Committee	6/7
Board training and strategic planning session	6/6

INDEPENDENT SPECIALISTS

The terms of reference of all the committees provide for the appointment of independent specialists to augment the skills, expertise and experience of the trustees. Two independent specialist trustees currently serve on the Audit, Finance and Risk Committee:

- Richard Morris
- Hale Qangule.

The terms of reference of the Human Resources and Remuneration Committee require that three independent specialists serve on the committee together with four trustees.

The specialists are:

- Jenny Jeftha
- Phyllicia Kekana
- Mantuka Maisela.

Two independent specialist trustees currently serve on the Advisory Board:

- Xolani Nhlapo
- Roy Rajdhar.



MR RICHARD MORRIS (71)
Retirement fund trustee and consultant

GEPF positions:

- Independent specialist
- Chairperson of the Valuations Subcommittee
- Member of the Audit, Finance and Risk Committee

Qualifications

- Chartered accountant
- BSc in computer science - University of the Witwatersrand

Meeting attendance	
Audit, Finance and Risk Committee	7/7
Valuations Subcommittee	3/3
Board training and strategic planning session	7/7



MR HALE QANGULE (59)
Independent director on various company boards

GEPF positions:

- Independent specialist
- Member of the Valuations Subcommittee
- Member of the Audit, Finance and Risk Committee

Qualifications

- Chartered accountant
- BAcc - University of the Witwatersrand

Meeting attendance	
Audit, Finance and Risk Committee	7/7
Valuations Subcommittee	3/3
Board training and strategic planning session	7/7



MS JENNY JEFTHA (64)

Independent remuneration committee specialist

GEPF positions:

- Independent specialist
- Member of the Human Resources and Remuneration Committee

Qualifications

- Chartered director – Institute of Directors South Africa
- MA in sociology – Roosevelt University, Chicago
- Diploma in social work – University of the Western Cape

Meeting attendance	
Human Resources and Remuneration Committee	7/7
Board training and strategic planning session	6/6



MS PHYLLICIA KEKANA (47)

Independent director and consultant

GEPF positions:

- Independent specialist
- Chairperson of the Human Resources and Remuneration Committee

Qualifications

- MBA – Management College of Southern Africa
- Postgraduate certificate in business management – Buckinghamshire Chilterns University
- National diploma in business management – Kempton Park College
- Higher certificate in payroll administration – Damelin College

Meeting attendance	
Board meetings (to present matters emanating from HRR-C)	3/3
Human Resources and Remuneration Committee	7/7
Board training and strategic planning session	6/6



MS MANTUKA MAISELA (70)

Retirement fund trustee and human resources professional

GEPF positions:

- Independent specialist
- Member of the Remuneration Committee

Qualifications

- Master’s in management – University of the Witwatersrand
- Postgraduate diploma in management – University of the Witwatersrand
- Production management diploma – Kyushu
- Leadership development programme – Wharton Business School, Pennsylvania

Meeting attendance	
Human Resources and Remuneration Committee	7/7
Board training and strategic planning session	6/6



MR XOLANI NHLAPO (47)

Independent director

GEPF positions:

- Independent specialist
- Member of the Advisory Board

Qualifications

- Chartered financial analyst
- BCom in accounting - University of the Witwatersrand
- BSc in applied mathematics and statistics - University of South Africa
- FSB regulatory examination
 - » RE 5: Representative - FPI
 - » RE 1: Key Individual
- South African Futures Exchange Equity and Commodity Derivatives
- Registered FAIS representative

Meeting attendance	
Advisory Board	2/2*
Board training and strategic planning session	2/2

**Appointed to the Advisory Board in January 2024*



MR ROY RAJDHAR (58)

Independent director

GEPF positions:

- Independent specialist
- Member of the Advisory Board

Qualifications

- Chartered accountant (SA)
- Postgraduate diploma in accountancy (CTA)
- BCompt - Unisa
- Higher diploma in tax law - University of Johannesburg
- Certificate in advanced company law 1 and 2
- Certificate in ethics in public service
- Chartered financial analyst Level 1
- Regulatory Exams: Financial Sector Conduct Authority:
 - » RE1 - Regulatory Examinations for Key Individuals Category I, II, III, IV
 - » RE3 - Regulatory Examinations for Key Individuals Category II, IIA
 - » RE5 - Regulatory Examinations for Representatives

Meeting attendance	
Advisory Board	2/2*
Board training and strategic planning session	2/2

**Appointed to the Advisory Board in January 2024*

THE GEPF BOARD

The Board is established in terms of the GEP Law and Rules and appointed for four years. The Minister of Finance inaugurated the current Board on 4 July 2022. Its term will end on 3 July 2026.

The new Board elected Dondo Mogajane chairperson and Eddie Kekana deputy chairperson at its first meeting on 4 July 2022.

The Board, supported by the principal executive officer (PEO) and the executive management team, meets annually to discuss and agree on the Fund's long-term strategies. The Board charter prescribes that the Board should meet at least quarterly. During the financial period under review, the Board held 6 meetings to deal with normal and special business interests of the Fund.

The Board's six permanent committees and two subcommittees have trustees and substitute trustees as members. All the committees have formal terms of reference that set out their mandate and duties.

GEPF BOARD COMMITTEES

- Audit, Finance and Risk Committee
 - » Valuations Subcommittee
- Benefits and Administration Committee
- Governance and Legal Committee
 - » Social and Ethics Subcommittee
- Investment Committee
- Advisory Board
- Human Resources and Remuneration Committee.

The GEPF and PIC boards meet regularly to discuss strategic interests. The investment committees of the two entities also meet as and when required, but at least twice a year.

BOARD COMPOSITION

Trustees are appointed by section 6 of GEP Law and Rules.

Employer nominees

Department	Trustee	Substitute Trustee
Specialist	Lebo Mokgabudi	Adv Makhubalo Ndaba
Specialist	Zethu Msindo	Lerato Makwetla
National Treasury	Dondo Mogajane (chairperson)	Lindy Bodewig
Department of Basic Education	Thandi Khoza	Emily Mmola
Department of Defence	Buyiswa Nkunjana	Dr Zamo Shabane
South African Police Service	Lt-Gen Lineo Nkhua	Maj-Gen Nicholas Lushaba
Department of Public Service and Administration	Vacant	Barnie Ntlou
State Security Agency	Ntsoareng Marotholi	Modibedi Maledu

Employee nominees

Department	Trustee	Substitute Trustee
Police and Prisons Civil Rights Union	Sipho Nkambule	Vusumuzi Tshabalala
Health and Other Service Personnel Trade Union of South Africa	Greg Rafferty	Sibusiso Malinga (National Teachers Union)
South African Police Union	Thabo Matsose	Solly Malema
National Education, Health and Allied Workers' Union	Kgomotso Makhupola	Sidney Kgara
Public Servants Association of South Africa	Pierré Snyman	Anadele Coetzee
South African Democratic Teachers' Union	Eddie Kekana (deputy chairperson)	Mugwena Maluleke

Department	Trustee	Substitute Trustee
South African National Defence Force and intelligence community	Musa Nkosi	Lt-Col (Dr) Bernard Van Nieuwenhuyzen
Pensioner	Christo Van Dyk	Rev David Jantjies

INDEPENDENCE OF TRUSTEES

GEPF trustees are considered non-executives as they do not have executive responsibilities and are not involved in day-to-day business operations. The Board contributes collectively, through its members' combined judgment, experience and independence, to the benefit of the Fund. Robust Board discussions ensure an appropriate balance of power and encourage different views and independent thinking at meetings.

SKILLS, KNOWLEDGE AND EXPERIENCE OF TRUSTEES

According to sections 4.2.2(a) and (b) of GEP Rules, at least one of the eight employer-nominated trustees must have expertise in financial management and investments or the management and organisation of pension funds. Two such specialists currently serve as trustees, supported by two specialist substitute trustees.

The other trustees and their substitutes have the necessary skills, knowledge and experience to effectively manage and govern the Fund. The profiles of the 16 trustees are reflected on pages 20 to 25.

The terms of reference of all Board committees allow for the appointment of specialists to augment the skills and expertise of trustees. The Board has appointed specialists to the Advisory Board, Human Resources and Remuneration and the Audit, Finance and Risk committees.

THE BOARD CHARTER

The GEPF Board must collectively ensure the Fund's prosperity and meet the expectations of its shareholders and stakeholders. The charter assists it to meet these requirements by setting out the roles and responsibilities of individual members and committees and the Board as a collective. The charter specifies general Fund governance and ensures compliance with policies and procedures.

THE GOVERNANCE CHARTER

The GEPF Board is governed by a governance charter derived from the GEP Law and Rules, Good Governance of Retirement Funds (Circular PF130 issued by the Financial Sector Conduct Authority) and King IV Report for Corporate Governance in South Africa. The governance charter is reviewed regularly to ensure it complies with local and international corporate governance best practices.

The Board approved a disciplinary policy and procedure for its members during the reporting period. This intends to regulate the conduct of trustees and address and resolve misconduct in a fair, objective, rational and transparent manner to protect the Fund, maintain public confidence in the GEPF and declare and uphold the highest standards of conduct among trustees.

The governance charter covers a trustee code of conduct and ethics, fit and proper guidelines, responsibilities, development and training, Board and trustee performance assessments, Board remuneration and expenses, media policy, confidentiality policy, conflict of interest policy, compliance policy, risk policy and framework, committee terms of reference and delegation of authority rules.

TRUSTEE EDUCATION AND TRAINING POLICY

The GEPF trustee education and training policy prescribes that all trustees (including substitutes) must attend induction training within six months of their appointment. Current Board members attended a two-day induction that covered governance, benefits and rules, investment policies, actuarial valuations and the Fund's main service providers.

Compulsory training sessions are organised to ensure that trustees and substitutes have a thorough understanding of the GEPF operating environment. Training sessions held in 2023/24 included:

- Protection of Personal Information Act and Promotion of Access to Information Act
- Conduct of Financial Institutions Bill
- Actuarial matters
- Governance of ethics
- Two-pot retirement system
- Media Training (Charipersons only)
- Valuation of Unlisted Investments (VAL-SC Members only).

Trustees attended other sessions, and local and international conferences, in the interest of ongoing training and development. All GEPF trustees and substitutes are members of the Institute of Directors South Africa.

Trustees were allowed to register for the recognition of the prior learning programme presented by the Council of Retirement Funds of South Africa. Five trustees registered. Several trustees have also completed the online trustee toolkit training provided by the Financial Services Conduct Authority.

TRUSTEE REMUNERATION POLICY

According to the GEP Law, trustees are compensated for their services and expenses in line with the trustee remuneration policy. They receive payment for meetings attended and an annual retainer fee. The details of trustee remuneration during 2023/24 are in the annual financial statements on page 155. The remuneration of GEPF trustees is aligned to what trustees/directors receive at similar organisations.

BOARD PERFORMANCE ASSESSMENT

The performance of the Board, its committees and their chairpersons were assessed during the 2023/24 reporting period using an online assessment tool. The outcome of the assessment was discussed by the Governance and Legal Committee and no areas of major concerns were identified by the committee. The assessment was also shared with the Board.

MANAGEMENT OF GEPF'S ETHICS RISKS

The GEPF Board views its ethical duty towards the Fund, its stakeholders, society and the environment very seriously. Through a formal code of conduct and ethics, it ensures that the Fund is seen as a responsible corporate citizen.

THE GEPF'S ETHICS PRINCIPLES ARE:



RESPONSIBILITY

Trustees are responsible for the assets and actions of the Fund and must be willing to implement corrective actions to keep the Fund on an ethical and sustainable strategic path.



ACCOUNTABILITY

Trustees are collectively and individually accountable and must be able to justify their decisions and actions to pensioners, GEPF members, regulatory authorities and the guarantor of the Fund. Trustees may be held personally and/or collectively liable for any breach of governance that results in losses to the Fund and its members, pensioners and beneficiaries.

In pursuit of fairness, trustees must engage with internal and external stakeholders to identify the Fund's ethics risks and opportunities. Acting on this information, strategies must be implemented to ensure that ethics risks are within acceptable limits.



FAIRNESS

When making decisions, trustees must consider legitimate interests and expectations in the best interests of the Fund.



TRANSPARENCY

The way in which trustees disclose information must enable stakeholders to make an informed analysis of the Fund's performance and sustainability. This means that trustees must communicate everything about the Fund that is relevant to its members and that can help to establish credibility and trustworthiness in governance and administration, investment performance and delivery of benefits.



CONSCIENCE

Trustees must act with honesty and integrity, and show independence of mind. They are independent of the organisations they represent and must always conduct themselves in the best interests of the Fund, its pensioners and members.



INCLUSIVITY OF STAKEHOLDERS

Trustees must promote stakeholder inclusion, which is essential for sustainability. The legitimate interests and expectations of stakeholders must also be considered



COMPETENCE

Trustees must have the necessary knowledge, competencies and skills to govern a fund effectively. They must also maintain the capacity to deal diligently and thoroughly with their duties and responsibilities to the Fund.

They must use the results of the annual appraisal assessment to identify skills or competency gaps and ensure that they receive the training they need to carry out their duties and responsibilities.



COMMITMENT

Trustees must perform their duties diligently and devote the necessary time to GEPF affairs. Fund performance and compliance require unwavering dedication and appropriate effort.



COURAGE

Trustees must have the courage to take risks that are appropriate when directing and controlling a successful, sustainable enterprise, and to act and make decisions with integrity.

The Board has a Social and Ethics Subcommittee despite the GEPF not being required to do so in terms of law. This reflects its commitment to positioning the Fund as an ethical leader and good corporate citizen.

An ethics officer is responsible for the implementation of an ethics programme. Quarterly reports are submitted to the Social and Ethics Subcommittee and a formal ethics report is provided to the Governance and Legal Committee and the Board.



BOARD COMMITTEES

AUDIT, FINANCE AND RISK COMMITTEE

4 MEETINGS HELD DURING THE YEAR

3 SPECIAL MEETINGS HELD DURING THE YEAR

CHAIRPERSON:

Ntsoareng Marotholi

MEMBERS:

Lindy Bodewig
Sidney Kgara
Maj-Gen Nicolas Lushaba
Solly Malema
Dr Mugwena Maluleke

Emily Mmola
Lebo Mokgabudi
Richard Morris
Barnie Ntlou
Hale Qangule
Christo van Dyk

RESPONSIBILITIES:

The committee oversees external and internal audit, risk management and financial management. It ensures the independence, objectivity and effectiveness of the external auditors and the internal audit function. It also reviews the governance and strategic direction of the Fund's information technology function.

HIGHLIGHTS:

- Recommended the appointment of the following service providers to the Board for approval:
 - » Actuarial services
 - » External auditors
- Facilitated the approval of the following revised documents:
 - » Information security policy
 - » Cash management policy
 - » Internal audit charter
- Finalised the annual report and annual financial statements and recommended them to the Board for approval. The financial statements included the adjustment to fair value for assets in the GEPF unlisted portfolio for the 2023/24 financial year
- Recommended to the Board for approval the 2024/25 GEPF strategic objectives and budget
- Facilitated approval of the GPAA budget for 2024/25
- Recommended to the Board for approval that the GEPF procures ICT systems to modernise the GPAA
- Finalised an investigation into an asset in the GEPF's property portfolio and recommended findings and action plans to the Board for implementation
- Reviewed the structure of the GEPF's supply chain management function and recommended an optimal structure to the Board
- Facilitated the approval of the engagement letter and external audit plan for the 2023/24 external audit
- Recommended to the Board that an investment write-off policy be developed.

BENEFITS AND ADMINISTRATION COMMITTEE

4 MEETINGS HELD DURING THE YEAR

0 SPECIAL MEETINGS HELD DURING THE YEAR

CHAIRPERSON:

Kgomotso Makhupola

MEMBERS:

Anadele Coetzee
Rev David Jantjies
Thandi Khoza
Modibedi Maledu
Sibusiso Malinga
Dr Mugwena Maluleke
Thabo Matsose
Dondo Mogajane

Zethu Msindo
Sipho Nkambule
Musa Nkosi
Buyiswa Nkunjana
Lt-Gen Lineo Nkhua
Greg Rafferty
Dr Zamo Shabane
Vusi Tshabalala
Lt-Col (Dr) Bernard van Nieuwenhuizen

RESPONSIBILITIES:

The committee reviews all aspects of the Fund's administration, including policies, strategies, procedures and matters of management. It advises and makes recommendations to the Board on the Fund's benefits and administrative affairs, and oversees the implementation of communication policies and strategy.

HIGHLIGHTS:

- Submitted annual pension increases to the Board, which it approved
- Facilitated the approval of a request made by a participating employer to be registered as per the Fund's participating employer policy
- Reviewed and recommended an addendum service level agreement with the GPAA
- Facilitated Board approval to revise funeral benefits paid to members and pensioners
- Recommended the approval of the following policies to the Board:
 - » Social media
 - » Media
 - » Revised funding level
 - » Revised pension increase
 - » Social responsibility investment
- Facilitated the approval of the following frameworks:
 - » Value-added benefits
 - » Housing solution
 - » Energy
- Recommended and obtained approval to revise the benefit accrual rates in the light of the two-pot retirement system
- Reviewed preservation options for GEPF members and recommended the adoption of an in-fund preservation option for members who resign and leave the GEPF.

GOVERNANCE AND LEGAL COMMITTEE

4 MEETINGS HELD DURING THE YEAR

0 SPECIAL MEETINGS HELD DURING THE YEAR

CHAIRPERSON:

Pierré Snyman

MEMBERS:

Lindy Bodewig
Anadele Coetzee
Rev David Jantjies
Eddie Kekana
Thandi Khoza
Lerato Makwetla
Modibedi Maledu
Solly Malema

Sibusiso Malinga
Thabo Matsose
Adv Makubalo Ndaba
Barnie Ntlou
Lt-Gen Lineo Nkhuoa
Greg Rafferty
Dr Zamo Shabane
Vusi Tshabalala

RESPONSIBILITIES:

The committee reviews the Fund's governance, legal and compliance activities and advises and makes recommendations to the Board.

HIGHLIGHTS:

- Facilitated the approval of a litigation framework for the PIC
- Reviewed the following governance-related policies:
 - » Board governance charter
 - » International conference attendance policy
 - » Terms of reference of the investment and human resources and remuneration committees and the valuations subcommittee
 - » GEPF ethics manual
 - » Ethics strategy and plan
 - » PAIA manual
 - » Board code of conduct and ethics
- Ensured that the Board adopt a disciplinary policy and procedures
- Reviewed proposed changes to the PIC's nominee director policy and made a recommendation to the Board
- Facilitated the constitution of a task team to deal with appeals received in terms of the GEPF's PAIA manual.

INVESTMENT COMMITTEE

4 MEETINGS HELD DURING THE YEAR

3 SPECIAL MEETINGS HELD DURING THE YEAR

CHAIRPERSON:

Dondo Mogajane

MEMBERS:

Eddie Kekana

Sidney Kgara

Maj Gen Nicolas Lushaba

Kgomotso Makhupola

Lerato Makwetla

Ntsoareng Marotholi

Emily Mmola

Lebo Mokgabudi

Zethu Msindo

Adv Makubalo Ndaba

Musa Nkosi

Buyiswa Nkunjana

Christo van Dyk

Lt-Col (Dr) Bernard van Nieuwenhuizen

RESPONSIBILITIES:

The committee considers and reviews the Fund's investment activities and advises and makes recommendations to the Board on the management of Fund assets, investment policies, strategy, and procedures.

HIGHLIGHTS:

- Investigated the GEPF's shareholding in Harith and recommended the formation of a task team to investigate further
- Recommended the memorandum of understanding for the Pan-African Infrastructure Development Fund I permanent capital vehicles
- Facilitated the approval of the following:
 - » Environmental, social and governance (ESG) climate change policy
 - » ESG engagement policy
 - » ESG proxy voting guidelines policy
 - » Developmental investment strategy
 - » Transformation policy
 - » Investment manager development programme framework
 - » Revised derivative policy.

HUMAN RESOURCES AND REMUNERATION COMMITTEE

4 MEETINGS HELD DURING THE YEAR

3 SPECIAL MEETINGS HELD DURING THE YEAR

CHAIRPERSON:

Phyllicia Kekana

MEMBERS:

Jenny Jeftha
Thandi Khoza
Mantuka Maisela

Buyiswa Nkunjana
Sipho Nkumbule
Pierré Snyman

RESPONSIBILITIES:

The committee reviews and makes recommendations to the Board on the GEPF's human resources policies and strategies. It ensures that Fund and trustees' remuneration practices are aligned to industry best practice.

HIGHLIGHTS:

- Reviewed trustee remuneration rates and obtained Board approval
- Obtained Board approval for salary increases and payment of short-term incentives to GEPF employees for 2023/24
- Obtained Board approval for the payment of long-term incentives to qualifying GEPF employees
- Facilitated the approval of a workplace harassment policy and talent succession planning framework
- Recommended a revised critical talent segmentation policy to the Board for approval
- Oversaw a job architecture project and recommended the outcome to the Board for approval
- Recommended the approval of additional resources on the GEPF structure
- Obtained Board approval to renew the contract of employees at the Government Employees Pension Ombud.

ADVISORY BOARD

4 MEETINGS HELD DURING THE YEAR

0 SPECIAL MEETINGS HELD DURING THE YEAR

CHAIRPERSON:

Zethu Msindo

MEMBERS:

Lindy Bodewig
Lerato Makwetla
Lebo Mokgabudi
Adv Makhubalo Ndaba

Xolani Nhlapo
Musa Nkosi
Roy Rajhdar
Lt-Col (Dr) Bernard van Nieuwenhuyzen
Dondo Mogajane (standing invitee)

RESPONSIBILITIES:

The Advisory Board reviews the GEPF unlisted investment portfolio managed by the PIC. It oversees the implementation of the Fund's unlisted investment strategy and ensures that the PIC performs its duties according to the investment management agreement for unlisted investments.

HIGHLIGHTS:

- Facilitated the appointment of two independent specialists to serve on the Advisory Board
- Recommended the Isibaya Fund I term extension to the Board for approval.

SOCIAL AND ETHICS SUBCOMMITTEE

4 MEETINGS HELD DURING THE YEAR

0 SPECIAL MEETINGS HELD DURING THE YEAR

CHAIRPERSON:

Eddie Kekana

MEMBERS:

Emily Mmola
Adv Makubalo Ndaba

Sipho Nkumbule
Lt-Gen Lineo Nkhuoa

RESPONSIBILITIES:

The subcommittee reviews the Fund's ethics strategy and recommends improvements.

HIGHLIGHTS:

- Considered and reported on quarterly reports on material, social and ethics matters
- Considered and discussed matters that affect and are of mutual interest to the GEPPF, PIC and GPAA
- Considered organisational ethics. No ethics-related concerns were raised by GEPPF staff through any reporting channels
- Reviewed the Fund's ethics strategy and plan
- Reviewed the Fund's ethics manual.

VALUATIONS SUBCOMMITTEE

3 MEETINGS HELD DURING THE YEAR

0 SPECIAL MEETINGS HELD DURING THE YEAR

CHAIRPERSON:

Richard Morris

MEMBERS:

Lindy Bodewig
Lebo Mokgabudi
Zethu Msindo

Hale Qangule
Ntsoareng Marotholi (invitee)

RESPONSIBILITIES:

Advises the Audit, Finance and Risk Committee on valuations of the Fund's unlisted investments.

HIGHLIGHTS:

- Facilitated approval of adjustments to fair value and impairments and reversals of impairments of unlisted investments
- Reviewed the mid-year internal valuations prepared by the PIC.

OFFICE OF THE PRINCIPAL EXECUTIVE OFFICER

The Office of the PEO comprises the PEO and an executive management team. It supports the Board in ensuring that the GEPF acts in the best interests of the Fund, its members, pensioners and beneficiaries. The office is also responsible for day-to-day operations.

The management structure consists of the PEO, head of corporate services, head of investments, head of actuarial and benefits, head of finance, head of stakeholder management and communications and the company secretary.

PRINCIPAL EXECUTIVE OFFICER

The PEO assists the Board in meeting the fiduciary and oversight obligations of the GEP Law and other laws and regulations. The PEO also represents the Board at strategic and operational forums and has overall responsibility for financial reporting and disclosure, consolidating and amending Fund rules and valuating liabilities and assets.

The PEO implements all Board decisions and effects the Board's strategy supported by executive managers.

HEAD OF INVESTMENTS

The head of investments monitors and manages the GEPF's investment strategy. The incumbent also advises and assists the PEO and the Board on the investment strategy and its execution, while overseeing the implementation of the responsible investment and developmental investment policies. The role includes oversight of investment services, including those outsourced to the PIC and other external service providers.

HEAD OF CORPORATE SERVICES

The head of corporate services manages all internal operations, including legal and compliance, human resources, information and communication technology and facilities.

HEAD OF STAKEHOLDER MANAGEMENT AND COMMUNICATION

The head of stakeholder management and communication advises the Board and organisation on stakeholder management and communication matters as well as

executes a comprehensive stakeholder management communication and education strategy.

HEAD OF ACTUARIAL AND BENEFITS

The head of actuarial and benefits advises the PEO and GEPF Board on, and assists with, the management and monitoring of the Fund's liabilities. The incumbent also ensures effective oversight of the interrelated functions of benefit administration and actuarial services, including activities outsourced to the GPAA and other external service providers. The role also includes overseeing the administration and service level agreements with the administrator and providing insights on improving benefits and administration.

HEAD OF FINANCE

The head of finance leads and directs financial and administration services. This entails providing effective financial and accounting services to satisfy the Fund's finance requirement, which includes directing and overseeing procurement and supply chain management to ensure appropriate procurement practices. The head of finance responds to internal and external audit observations on the preparation of financial statements and other accounting and financial matters.

EXECUTIVE MANAGEMENT



MUSA MABESA

Principal executive officer

Qualification:

- MSc - University of London
- Fellow of the Association of Chartered Certified Accountants
- BCompt - University of South Africa
- Leadership - Stellenbosch University Business School
- Member of the Institute of Directors South Africa



BABS NAIDOO

Head: Stakeholder management and communication

Qualification:

- BA - University of Durban-Westville
- BA (Hons) - University of Durban-Westville
- Member of the Institute of Directors South Africa
- Member of the International Association of Business Communicators
- Chartered public relations practitioner - Public Relations Institute of South Africa
- Director on the IABC Africa Board



BULELWA KOTTA

Head: Finance

Qualification:

- BCom in accounting - University of KwaZulu-Natal
- Associate chartered management accountant
- Postgraduate diploma in financial planning - University of the Free State
- Postgraduate diploma in business management - Regenesys Business School
- MBA - Henley Business School (University of Reading)
- Certified director - Institute of Directors South Africa



BRIAN KARIDZA

Head: Actuarial and benefits

Qualification:

- BSc (Hons) - University of the Witwatersrand
- Fellow of the Actuarial Society of South Africa
- Fellow of the Institute and Faculty of Actuaries, United Kingdom
- Certified enterprise risk actuary - Actuarial Society of South Africa



SIFISO SIBIYA

Head: Investments

Qualification:

- Master's in management: finance and investments - University of the Witwatersrand
- BSc (Hons) in mathematical statistics - University of the Witwatersrand
- BSc in Actuarial Science - University of the Witwatersrand
- Fellow of the Institute and Faculty of Actuaries - United Kingdom
- Chartered enterprise risk actuary - Institute and Faculty of Actuaries, United Kingdom
- Chartered alternative investment analyst - Chartered Alternative Investment Analyst Association, United States



EMMANUEL LEKGAU

Acting head: Corporate services

Qualification:

- LLB - University of Pretoria
- LLM in labour law - University of South Africa
- LLM in corporate law - University of Pretoria
- Postgraduate diploma in compliance - University of Johannesburg
- Certificate in banking and financial markets law, and social security law - University of the Witwatersrand
- Admitted attorney of the High Court of South Africa
- Member of Pension Lawyers Association of South Africa, International Pension Lawyers Association and Institute of Directors in South Africa

COMPANY SECRETARY

The company secretary ensures that the Board practises good governance, guides the Board on the duties of the trustees and provides an executive secretariat function to the GEPF Board and its committees. The incumbent is also responsible for the induction and training of trustees.



ADRI VAN NIEKERK

Company Secretary

Qualification:

- BAdmin (Hons) in public management - University of Pretoria
- BAdmin in public management - University of Pretoria
- Fellow of the Institute of Directors South Africa
- Member of the International Corporate Governance Network



PART 5:

KEY CORPORATE MATTERS

PRINCIPAL EXECUTIVE OFFICER'S REPORT

Since the inception of the GEPF in 1996, the Fund has consistently met its obligations to members, pensioners and beneficiaries. We take seriously our responsibility to manage the funds entrusted to us so that these stakeholders enjoy a secure financial future.

The Fund continues its commitment to serving its 1 277 902 active members and 548 765 pensioners (including child pensioners) and beneficiaries. It is 110% funded, thereby ensuring that the benefits of members and pensioners are protected and that it can meet its liabilities.

LONG-TERM INVESTMENT STRATEGY

The 2023/24 year ended with the Fund's assets under management reaching R2.38 trillion - up from R2.32 trillion. This represents an increase of 2.6%. This enabled a pension increase of 6%, which far outstrips the recommended 75% of the consumer price index as per the rules of the Fund. Our continued resilience in the prevailing economic climate indicates clearly that the Board-adopted long-term diversified investment strategy continues to serve us well.

SERVICE SHORTFALLS

The GPAA's performance continues to be hampered by slow modernisation. However, we have approved an enhanced GPAA modernisation roadmap and are actively assisting to unblock procurement and process hurdles.

Our administrator was further impeded when its systems were hacked in February and March 2024. These security breaches are of great concern and we have liaised with National Treasury, which oversees the GPAA, to ensure more robust systems and processes. The security breach affected service delivery and for that we apologise to our members, pensioners, beneficiaries and service providers.



Musa Mabesa
Principal Executive Officer

In hindsight, efforts to restore services to affected systems, processes and applications could have been better and much quicker. While the experience has highlighted a GPAA capacity gap, the exercise underway will deliver ongoing enhancements.

We are supporting the GPAA to build a more robust information technology system. We have also reported to and engaged the Information Regulator on the data breach. Since the GEPF and its service providers are not immune to this global cyber crime scourge, constant improvement is required to minimise the risk.

STRENGTHENING THE FUND

Our people continue to be central to and the key asset in our journey to becoming a global leader and a reputable pension fund that delivers high-quality service. During the financial year, our workforce grew from 62 to 66 employees

(inclusive of interns and Government Employees Pension Ombud (GEPO) office), further bolstering our capacity to meet our obligations. We continued to retain, develop and attract talent.

The following positions were filled:

- Quantitative Investment Analyst - April 2023
- Investment Analyst (Listed) - April 2023
- Actuarial Manager - June 2023
- Investment Analyst (Unlisted) - February 2024
- Personal Assistant - February 2024.

Skills development and employee retention are closely intertwined, playing a crucial role in organisational success. We have invested almost R2 million in programmes and processes to ensure employees are given the opportunity to acquire the skills to succeed.

In this regard our core focus is to ensure:



In the spirit of strengthening our oversight capabilities, particularly of the PIC, we continued to implement recommendations from the report from the Judicial Commission of Inquiry into allegations of impropriety at the PIC (Mpati Commission). These included:

- Ensuring that the PIC appoint key personnel in vacant positions
- Continuous scrutiny and monitoring of investments including their performance
- Enhanced bilateral engagements with governance structures of the PIC
- Enforcing mandate compliance.

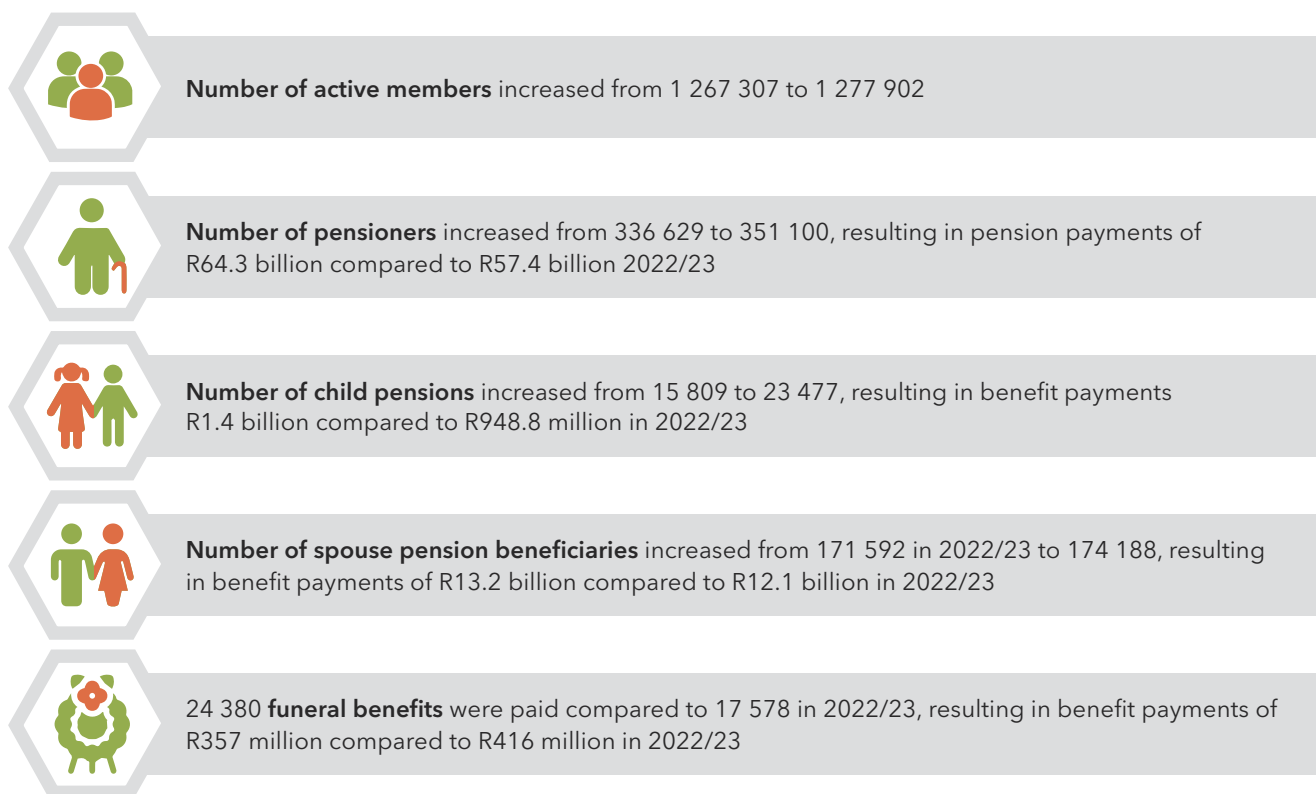
THOUGHT LEADERSHIP

In recent years, thought leadership has evolved from a fashionable term into a serious strategy for building business and brands. The GEPF finds the approach useful in sharing its deep understanding of and expertise in its field, which often attract validation from peers and audiences. In keeping with this status, the GEPF undertook during 2023/24 several initiatives and activities to position itself as an organisation that fully understands its industry, business and the needs of its stakeholders and the broader marketplace.

The annual GEPF thought leadership conference has become known globally as a premium pensions and investment event. The 2023 conference attracted 420 trustees and directors of pension funds, asset owners, asset and investment managers and regulators to network and engage on pressing industry challenges with the foremost speakers in the retirement, pension and investment industries.

The Fund launched the GEPF's transformation policy in October 2023 to provide direction to the industry and the Fund on promoting socio-economic development and addressing historic inequalities in South Africa and across the financial sector. Key elements include industry-level transformation and environmentally sustainable investing.

During the year under review, our administrator, GPAA's, service statistics indicated the following:



Trustees and management of the Fund also attended and participated in important local and international conferences, including:

Conference theme/organiser
WorldAtWork
Institute of Internal Auditors
Chartered Financial Analyst Institute
Society for Human Resource Management
Salzburg Global Seminar
International Centre for Pension Management Rotman Pension Government Education Programme
European Pension Fund Investment Forum
International Association of Business Communicators

Conference theme/organiser
International Corporate Governance Network
United Nations Principles for Responsible Investing
World Pension Summit
Conference of the Parties 28
Sustainability in Practice
Council of Retirement Funds of South Africa
Institute of Retirement Funds Africa

REGULATORY IMPACT

Adaptation was the theme of the year under review, with the Fund readying itself for several regulatory changes.

With the GPAA, we have spent 18 months studying the two-pot retirement system, a reform that allows retirement fund members to make partial withdrawals from their retirement funds before retirement, specifically from the savings component, while preserving a portion that can be accessed only at retirement. Early access provides flexibility to beneficiaries in financial distress, but the system also intends to improve retirement outcomes by preserving members' savings. Under the current system, some members resign to access their retirement fund savings to pay off debt, which can negatively affect long-term retirement planning.

As we could implement required changes only once the bills were approved and subject to enactment of the legislation, we have only six months to effect all changes by the 1 September 2024 deadline. Extensive systems, processes, rules and regulation changes are needed to implement the new system, and preparations are more onerous for defined-benefit funds such as the GEPF.

The Fund has also started to prepare for the Conduct of Financial Institutions (COFI) Bill, which will apply market conduct regulation consistently to all financial institutions. It replaces conduct provisions of various financial sector laws and provides a single comprehensive market conduct law, including for retirement funds. The bill strengthens customer protection by ensuring uniform application of consumer protection principles across the sector. It also addresses transformation and inclusion requirements specified in the Financial Sector Code.

While we ensure that all compliance obligations are in place, the continuing improvement of the Fund's administration capability is also in line with the legislation.

ACKNOWLEDGEMENTS

Since becoming the principal executive officer in 2020, South Africa and the world have undergone seismic changes in virtually every aspect of life. Citizens the globe over have seldom been under such pressure, which gives schemes such as ours the incredible responsibility of making every effort and cent count to ensure stakeholders receive the best services regardless of the operating environment. This year I believe we have again proved our ability to do this through a combination of solid guidance from the Board of Trustees, sound relationships with our partners, the GPAA and the PIC, and the commitment and hard work of every one of our employees. To all I extend my heartfelt gratitude for keeping the GEPF among the world's most-respected pension funds.

We remain committed to maintaining our leadership through thorough knowledge of our business and ability to provide generous benefits consistently.

Long may we and our many beneficiaries and stakeholders prosper.



Musa Mabesa

Principal executive officer

KEY MATTERS

COMPLIANCE AND LEGAL



COMPLIANCE

During the reporting period, in discharging its responsibilities to establish an effective compliance framework and processes, the Fund's regulatory universe was reviewed, and pieces of legislation that are applicable to the investment department were considered. Exchange Control Circular D427, Protection of Constitutional Democracy Against Terrorist and Related Activities Act 33 of 2004, Securities Services Act, specifically on insider trading principles, Public Investment Corporation Act 23 of 2004, Prevention of Organised Crime Act 121 of 1998, Financial Intelligence Centre Act 38 of 2001 and Prevention and Combatting of Corrupt Activities Act 12 of 2004.

For each of the above laws, the Fund is following the process as outlined in its compliance policy, namely to identify, assess, manage and monitor all compliance risks, reporting to the Governance and Legal Committee on each of the steps.

In adherence to POPIA (Protection of Personal Information Act) and PAIA (Promotion of Access to Information Act), the Board again revised and approved the GEPF PAIA manual and data privacy policy. The PAIA manual was also reviewed to ensure alignment with POPIA. The data privacy policy gives effect to the provisions of POPIA and further establishes the requirements and conditions for the collection, distribution, protection and retention of

personal information. Both the manual and the policy are published on www.gepf.co.za.

The Fund's POPIA task team continues to monitor gaps in compliance with POPIA. The PAIA annual report was submitted to the Information Regulator as required by legislation.

The Fund's conflict of interests policy requires that every Board member and employee disclose all conflicts of interest by completing the financial disclosure form at least annually or as determined by the Board. The exercise identifies any relationships positions or circumstances that the individual believes could contribute to or result in a conflict of interests. During the year, all Board members and staff complied with the requirement. The Fund also has a gift register to be completed by Board members and staff when they receive gifts.



LEGAL

The GEPF is defending several individual court applications at Makhanda High Court, Eastern Cape. The primary relief sought in each application is an order directing the GEPF to take all steps necessary to procure the proper and comprehensive calculation of applicant's benefits in terms of the GEP Law and thereafter process the applicant's claim for further payments of pension benefits. GEPF is opposing the matters. In 2023/24, there was no material nor repeated non-compliance with regulatory requirements by either the Fund or its trustees.

INFORMATION AND COMMUNICATION TECHNOLOGY

Security and stability of the Fund's digital infrastructure are essential in creating a dependable and effective environment for members. This section provides an overview of our primary operations and highlights notable accomplishments over the past year.



MAINTAINING COMPLIANCE & GOVERNANCE

The Fund strictly follows all laws and regulatory requirements for data security and member benefit administration. We enhance our security posture by regularly conducting information technology audits and risk assessments, and actively identifying and addressing potential threats.

In February 2024, there was a cyber security breach at GPAA's ICT systems. It and the GEPF took immediate action, executing a thorough response plan with external cybersecurity experts. The plan included thorough investigation, effective isolation, efficient containment, successful recovery, stabilisation and continuous monitoring.

Our commitment to enhancing cybersecurity readiness has brought notable advancements. Security controls implementation has reached 70% along the two-year security roadmap that started during 2022/23. Proactive measures have been introduced to monitor and address potential threats and vulnerabilities, ensuring a robust cyber-threat response system.



MODERNISATION ROADMAP

We have completed 20% of planned initiatives of our ICT modernisation roadmap for 2023 to 2027.

This activity included creating and formally endorsing documents outlining the modernisation process. In addition, careful attention was given to developing and gaining approval for business cases for core systems

such as pension administration, customer relationship management and fund management. The planned solutions will effectively address business challenges, enhance member satisfaction and ultimately improve service delivery.

The roadmap includes developing a comprehensive business capability model, requirements specifications and detailed as-is/to-be architecture that addresses business and member challenges. The system procurement process is underway, overseen by a highly skilled implementation partner. This partnership promises efficient project management with no cost, scope or time overruns and high-quality results.

User adoption being paramount, a change management programme was implemented to encourage employees and stakeholders to embrace the new systems and to avoid potential resistance. The project's first two phases were accomplished with great success. As we progress, our focus remains on closing the gap in digital access and enhancing availability of information for members. To this end, a project is being developed to provide GEPF digital platform users with zero-rated data access, making self-service options even more accessible. It is expected to be completed by the end of 2024/25.

HUMAN RESOURCES



HUMAN CAPITAL STRATEGY

Our people are at the heart of our organisation and strive to ensure that the GEPF delivers on its mandate to its broader stakeholders and meets its strategic goals. The primary focus of our human capital strategy is to position GEPF as an employer of choice within the global retirement fund industry by attracting, developing and retaining the best talent while ensuring that we have the right capabilities to achieve our strategic objectives. The strategy is driven by five strategic pillars: Talent management, organisational development, total rewards, employee engagement and employee wellbeing. To ensure effective strategy execution, the organisational values of integrity, transparency, accountability, innovation and client-centricity underpin all that we do.

GEPF staff complement was 66 at the end of March 2024 (including interns and the Ombud Office). In 2023/24, we filled five permanent roles. In line with our commitment

to create a pipeline for skills development, we had 10 GEPFuture interns to whom internal mentors were allocated. The mentors ensure that interns have the opportunity to transfer theory into practice at work and that they gain valuable experience to enhance their future employability.

The GEPF constantly ensures that there is a flow of talent to create and maintain a talent pool to fill key positions and to have a succession pipeline of individuals ready to move into higher roles. This will enable the organisation to achieve its strategic goals now and well into the future. The Fund has developed a talent management and succession management framework, which is a crucial enabler of its vision to be a global leading and reputable pension fund. This process necessitated the review of the GEPF's critical talent segmentation framework, which identifies critical roles and segments the workforce by recognising distinct categories of employees who are currently filling these roles and/or have the potential to fill critical roles. It also enables the organisation to design human resources practices to enhance its ability to attract, manage, develop and retain the critical skills and essential talent.

The GEPF total rewards strategy and policy incorporate the Fund's employee value proposition to drive performance and strategic objectives. This strategy and policy integrate with the human capital strategy to improve organisational performance and employee engagement.

The total rewards philosophy is designed to attract, retain and motivate talented individuals who are dedicated to fulfilling our mission. We believe in offering a comprehensive package of financial and non-financial rewards that reflects our commitment to fairness, equity and excellence.

During the year under review, the executive coaching programme continued to enhance leadership effectiveness, personal development and organisational performance. All GEPF executive team members are part of the programme and feedback is positive. The programme will cascade to senior and middle management during 2024/25.

During the year, the Fund also launched a job architecture project to update roles to address the immediate needs of the organisation, to align them to other roles in the same job families and to fit with the future business strategy.

Our salaries are benchmarked against two reputable remuneration surveys. Our total-cost-to-company remuneration structure combines total guaranteed pay, benefits and variable pay.

A short-term performance incentive is granted to an employee in recognition of sustained performance either above expectation or excellent. It is a cash reward separate from salary increases or adjustments to the total guaranteed package.

A long-term incentive scheme aligns the GEPF retention strategy with a mechanism to retain skills deemed scarce and critical. It is a cash incentive linked to the attainment of long-term performance measures.



LEARNING AND DEVELOPMENT

The GEPF is committed to promoting a learning culture that enables its employees to develop and realise their full potential. At the end of the year under review, 22% of the total workforce were enrolled with institutions of higher learning, funded by the GEPF and studying towards formal qualifications.

INTERNAL GOVERNANCE STRUCTURES



FINANCE MONITORING AND OVERSIGHT

The GEPF executive committee has delegated its investment mandate responsibilities to the Finance Liaison Committee.

This committee:

- Facilitates an effective working relationship among the GEPF, GPAA, PIC and the master custodian
- Assists the four parties to implement the GEPF Board's reporting requirements, the mandate between the GEPF and PIC, and the service-level agreements between the GEPF and third-party service providers, including GPAA and the master custodian
- Facilitates smooth audit processes and eases the flow of information and communication among the GEPF, GPAA, PIC, the master custodian and other third-party service providers.

With the establishment of a middle-office framework in 2022/23 to further enhance the investment monitoring

processes, in August 2023, the executive committees of the GEPF and PIC approved the committee's revision of the terms of reference to include its review of the performance of the master custodian service level agreement.



ENTERPRISE RESOURCE PLANNING SOLUTION

In 2023, the GEPF Board approved the appointment of a software provider to supply licences and implement an enterprise resource planning solution that will assist in integrating applications to manage business operations and performance. The system is to take over most of the current manual processes and automate them for efficiency, effectiveness and productivity.

The aim is to reduce turnaround times internally to ensure quick and vital decision-making across these functions and modules:

- Payroll
- Financial management
- Fixed asset management

- Supply chain management
- Human resources.

The new system is 61% complete. The payroll module went live in March 2024. The financial management module is expected to launch in September 2024, with supply chain and human resources following.



SUPPLY CHAIN MANAGEMENT

The supply chain management policy that was approved by the Board in the previous financial year has been embedded in the organisation together with its accompanying standard operating procedure. These documents provide guidance to employees and trustees when procuring goods and services.

For the processes to bring value for money, fair, transparent and equitable competition when procuring, an internal Price Quotation Committee was established, becoming operational in the second quarter of the review year. This committee, which joins existing supply chain internal committees, adjudicates requests for quotation transactions below R1 million.

Internal audit performed a full audit of the supply chain management department in the first quarter of the year and a follow-up review in the fourth quarter. All findings from the first audit were closed satisfactorily by year-end, resulting in a 'satisfactory' outcome for the follow-up review. This denotes that processes operate and are managed within a highly controlled environment that mitigates relevant risks to an acceptable level.



INTERNAL AUDIT REPORT

The internal audit unit is the GEPF's third-line independent internal assurance provider. In line with King IV, the unit provides objective and relevant assurance to management and the Board through the Audit, Finance and Risk Committee. This contributes to the effectiveness of risk management, control and governance processes. Internal audit conforms with the International Standards for the Professional Practice of Internal Auditing in carrying out its activities.

The internal audit manager reports functionally to the Audit, Finance and Risk Committee and administratively to the Principal Executive Officer (PEO) to promote and strengthen independence. The internal audit manager has direct access to the committee through its chairperson.

In line with Institute of Internal Auditors standards, internal audit reviews and submits the internal audit charter and the internal audit manual to the committee for approval. During the year under review, internal audit discharged its responsibilities in line with the approved charter.

The Audit, Finance and Risk Committee approved the risk-based internal audit coverage plan for the 2023/24 financial year and a three-year rolling internal audit plan.

Internal audit reports were presented to the committee in line with the approved plan. Control weaknesses were identified and communicated to management. Corrective actions and improvements were agreed and implemented. Internal audit also provided an assurance opinion on the effectiveness and adequacy of the control environment.

The unit also oversees the activities of the internal audit division of the GPAA that relate to the risks that the GEPF has outsourced to the agency in line with the administration agreement and accompanying service level agreement. Internal audit contributes to the development of GPAA's annual internal audit coverage plan to ensure that GEPF risks are adequately covered. The GPAA's internal audit submits audit reports that are tabled at the quarterly GEPF/GPAA exco-to-exco and Audit, Finance and Risk Committee meetings. The GEPF's internal audit also attends the GPAA counterpart's annual strategic sessions.

The internal audit manager represents internal audit on the GEPF Combined Assurance Forum.

Performance against annual coverage plan

Internal audit's risk-based audit approach ensures that its efforts and resources are adequately allocated to the highest-ranking risks in the interest of effective internal controls. The function performed all the engagements specified in the approved audit plan, except for the fraud risk management and data migration reviews, which were carried over and the matter reported to the Audit, Finance and Risk Committee. In line with the combined assurance model, internal audit places reliance on the work of other assurance providers, Deloitte & Touche for International Standard on Assurance Engagements 3402 for the PIC and PricewaterhouseCoopers for Standard Bank of South Africa Limited.

The following audits were conducted:

- Supply chain management
- Supply chain management follow-up
- GPAA service level agreement follow-up
- Data cleansing
- Human resources management
- Occupational health and safety

- Cybersecurity follow-up
- ICT governance
- Modernisation review (stage gate 1)
- Business continuity management follow-up
- Investment management ESG Review
- Actuarial and benefits
- Fraud risk management.

During the year, internal audit observed the specification and evaluation processes carried out by supply chain management compliance for the Microsoft Azure services and external audit services tenders.

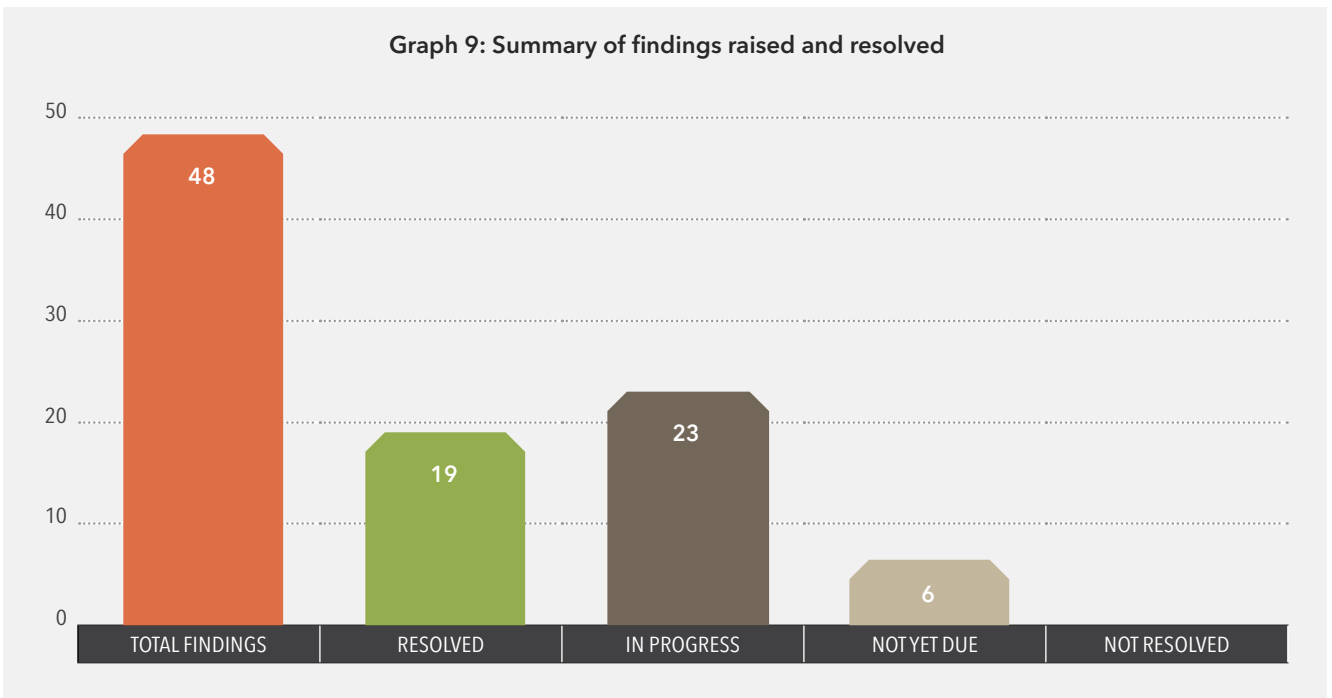
Other consulting reviews requested by management included:

- Performance management
- Short-term incentive performance bonus, including

- salary increases
- POPIA consulting
- Trustee remuneration and attendance
- Long-term incentive bonus.

Findings and remedial actions

At the beginning of financial year 2023/24, 24 findings remained open. During the year, 48 new findings were raised. By 31 March 2024, 19 findings had been fully resolved and 23 partially resolved, meaning that while management had implemented some of the agreed upon action plans, the process could not be finalised due to other dependent factors. Six findings were not yet due at end of the reporting period. The resolution of the identified findings can be attributed to management’s commitment to enhancing the Fund’s internal control environment.



Internal audit did not identify any material control deficiencies that would raise concern about the effectiveness of the GEPF’s governance, risk management and control processes. Management continues to implement corrective actions to improve the control environment.

Internal audit, itself, has implemented a quality assurance and continuous improvement programme covering all aspects of internal audit and entailing internal and external assessments required by the Institute of Internal Auditors. The unit has implemented all the recommendations of the external quality assurance assessment conducted in 2021.



PART 6:

INVESTMENTS

INVESTMENT REPORT

INVESTMENT POLICY IMPLEMENTATION

Revised mandate implementation

The revised investment management agreements concluded during 2022/23 between the GEPF and the PIC became effective, replacing the 2007 agreement. The revised legal framework consists of the listed and unlisted investment management agreements and achieves four objectives:

1. Strengthens governance of the investment strategy by the PIC (on behalf of the GEPF), as recommended by the Mpati Commission
2. Creates a more harmonious legal framework
3. Improves the focus and implementation of investment guidelines
4. Introduces accountability mechanisms for poor investment decisions.

Robust governance of the investment process enhances the likelihood of healthy returns. The GEPF's investment decisions are subject to various policies, all based on international best practice, and aligned to applicable legislation (including the GEPF Law). The revised agreements are supported by the following policies based on international best practice and aligned to legislation including the GEP Law:

- Investment policy statement
- General investment guidelines
- Responsible investing policy
- Developmental investment policy
- Derivatives policy
- Proxy voting guidelines and corporate governance principles
- Determination of fair value.

Investment decision-making process

The GEPF's operational team supports the Investment Committee, Advisory Board, Valuations Subcommittee and Board of Trustees in a fiduciary role that includes the robust monitoring of the investment function and implementation of the Fund's investment policy and strategy. The GEPF follows a thorough decision-making process to govern its investments.

The PIC, which manages about 78.44% of the GEPF's assets and is its principal asset manager, applies its own investment process to transactions before they are submitted to the GEPF for approval. Transactions that are considered by the GEPF Advisory Board include unlisted investments above the combined limit of R2 billion.

The GEPF's investment decision-making process



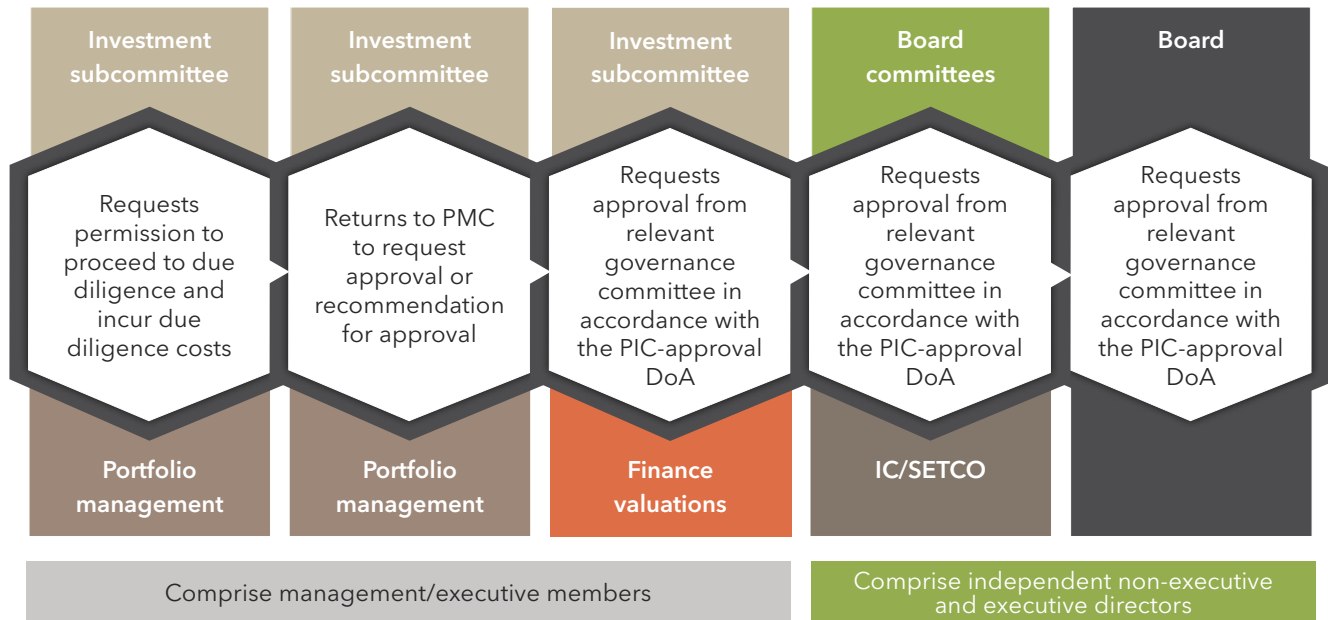
*Investment process may include input from the Advisory Board and Valuations Committee, which is a subcommittee of the Audit, Finance and Risk Committee.

The PIC decision-making process

The PIC's investment process applies to transactions below the R2-billion limit or within GEPF's investment mandate guidelines. The delegation of authority (DoA) framework

empowers different role-players to consider and approve transactions of different values. It also outlines the powers of the Board and its committees and those of the executive.

PIC INVESTMENT PROCESS COMMITTEES



Under the PIC delegation of authority, the Portfolio Management Committee - Unlisted Investments, a subcommittee of the PIC Investment Committee (IC), can approve unlisted investments within certain limits. The PIC Social, Ethics and Transformation Committee (SETCO) is involved in approvals.

Investment decision-making for all transactions entails:

- The Portfolio Management Committee - Unlisted Investments assesses the merits of a potential investment and grants permission for the deal team to proceed with due diligence where appropriate

- Following due diligence, the deal team returns to the committee for approval or a recommendation for approval in line with the delegation of authority
- If the transaction value exceeds R2 billion, it is subject to GEPF approval
- After approval by the unlisted investments committee, the transaction is submitted to the PIC Investment Committee.

Stakeholders

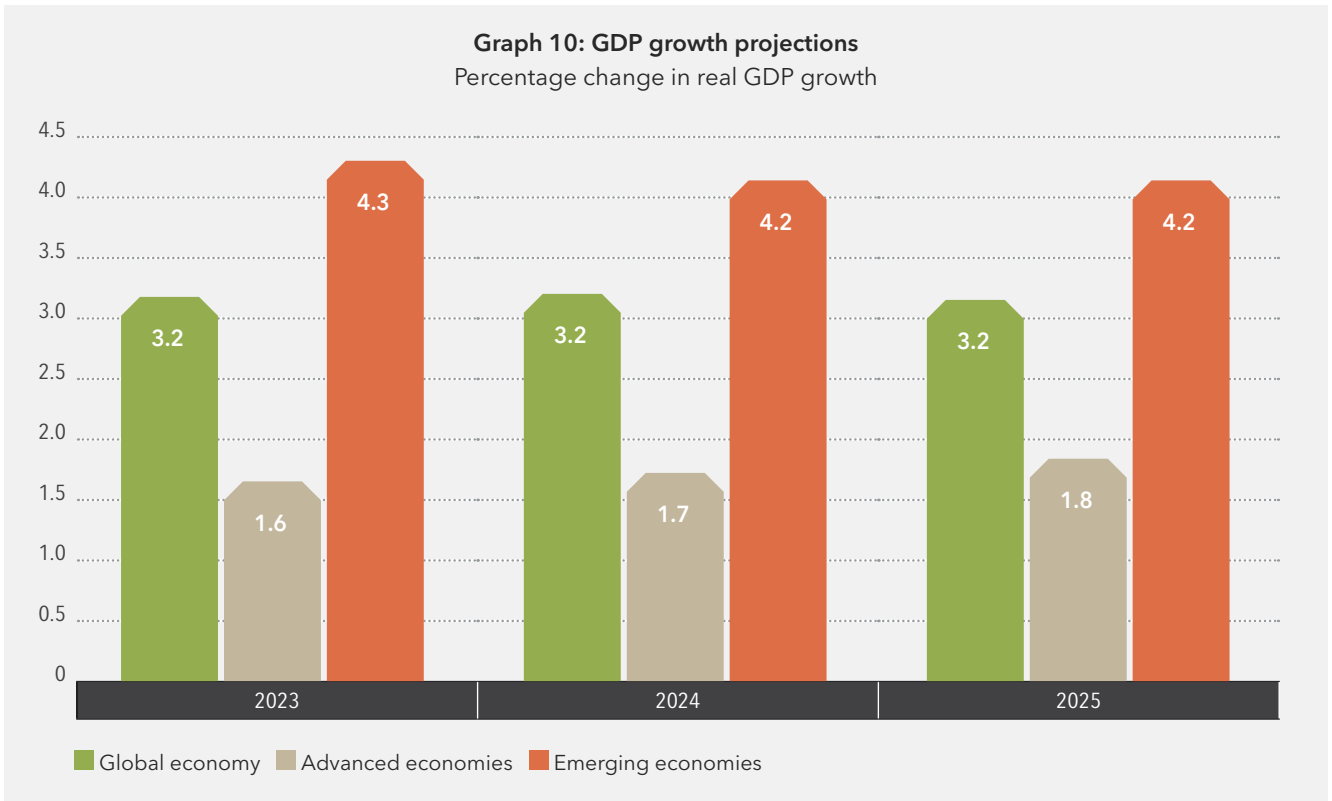
The stakeholders involved in the GEPF's investment strategy are shown below:



ECONOMIC AND MARKET OVERVIEW

The 2023/24 financial year further cemented that normalcy is a concept of the past and highlighted further how fragmented the world is becoming. Uncertainty became the predominant theme as the world grappled with higher interest rates, raising fears of a recession, and potential political shifts driven by elections across various countries. With several presidential elections taking place, 2024 is a significant year for the global economy and geopolitics.

The International Monetary Fund further adjusted its 2024 forecast downward following a muted 2023. In 2023, it had forecast lower growth, which materialised with advanced economies growing by just 1.6%, lagging behind the 4.3% recorded by emerging markets and developing economies. These developments indicated that the feared economic downturn has been averted.



Source: International Monetary Fund, GEPP

Stubborn core inflation

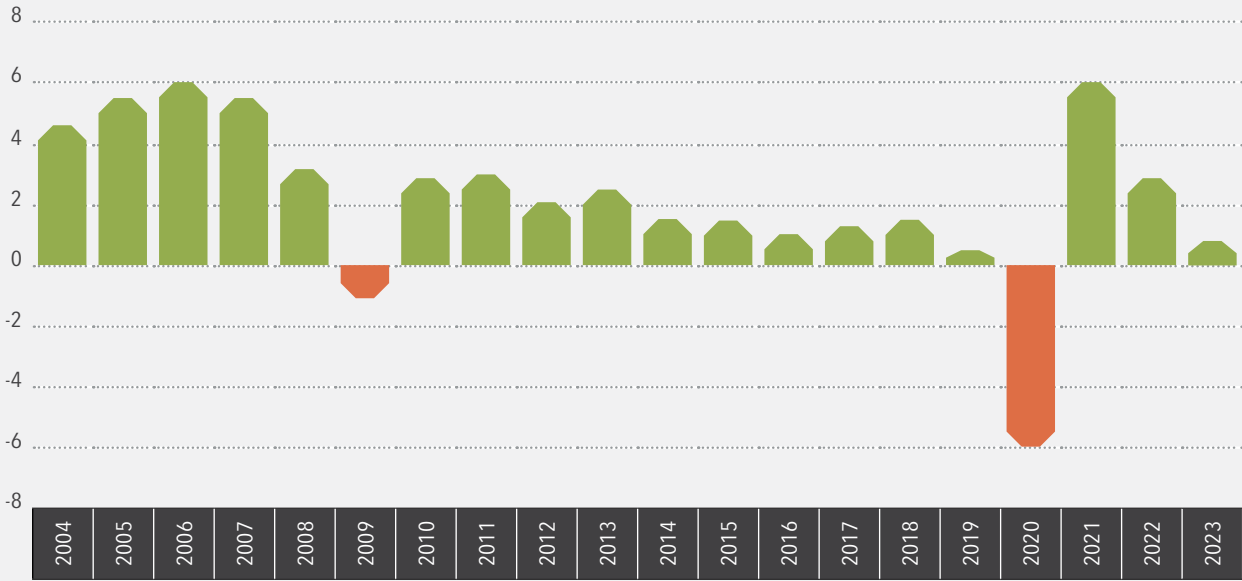
At the end of 2022, it was expected that 2023 would see the start of interest rate cuts, bringing hope to global economies and consumers. However, this did not transpire as tight monetary policies remained in place worldwide. Despite disinflation driven by decelerating headline inflation for the most part of the world on the back of moderating energy and food prices, the core inflation has been relatively stubborn, falling gradually in 2023. Major central banks globally halted their rate hikes, resulting in monetary authorities holding rates steady.

The Federal Reserve Bank in the United States held interest rates steady since July 2023, citing the need to contain inflation to the target mark. The Bank of England also maintained steady rate a 5.25% since August 2023 to bring inflation to its target of 2%.

Domestic economy

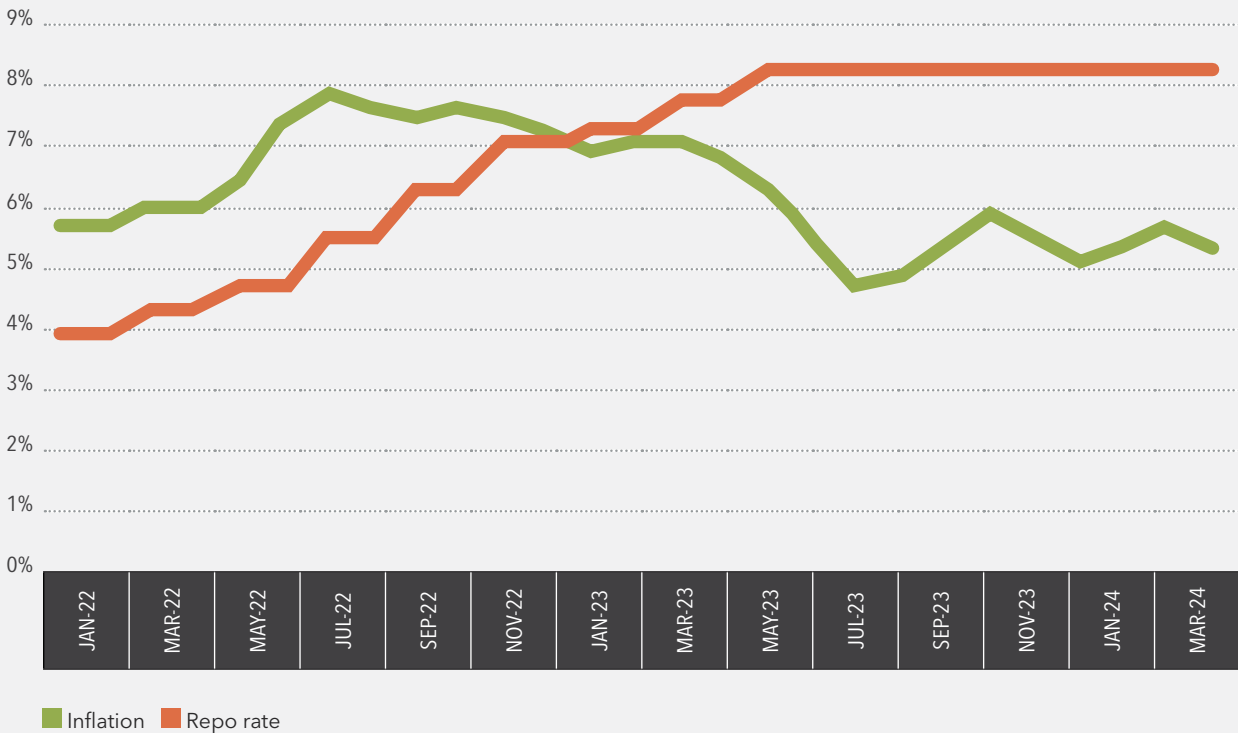
In South Africa, the first quarter of 2023/24 was marked by increased loadshedding, a persistent issue that negatively affected the economy throughout the year. Despite this, the year began on a positive note, with the first quarter seeing a 0.4% GDP increase compared to the previous year, even with ongoing loadshedding. This recovery extended into the second quarter, when GDP growth reached 0.6%, supported by reduced loadshedding and improved business productivity. However, in the third quarter, GDP contracted by 0.2%, reversing some earlier gains. The slight GDP growth of 0.1% in the final quarter ended a year of mixed economic performance.

Graph 11: Real GDP annual percentage change year-on-year



Source: South African Reserve Bank (SARB), GEPF

Graph 12: CPI vs repo rate year-on-year



Source: Stats SA, SARB, GEPF

Steady rates

The repo rate peaked at 8.25%, a 14-year high. Combined with persistent inflation, this caused significant consumer strain, which in turn affected the economy by increasing unemployment as more businesses closed due to a mix of challenges. The high interest rate environment, both globally and locally, dampened the economy and capital markets. Although rate cuts were expected early in 2024, they were not forthcoming as most central banks maintained higher rates for longer to combat high inflation.

While headline inflation decreased from 7.1% in March 2023 to 4.7% in July, it remained problematic. The SARB identified several factors contributing to the risk of inflation, including elevated food and electricity prices, loadshedding, geopolitical tensions, fuel costs and a weaker rand. Consequently, rates are expected to stay high as inflation struggles to reach its midpoint target range.

Better global asset class returns

Global equities and bonds struggled with persistently high interest rates due to stubborn inflation in many economies. Nevertheless, developed market equities showed remarkable resilience, achieving double-digit returns. This strong performance was driven by robust corporate earnings and ongoing positive sentiment about the United States economy avoiding a potential recession. Furthermore, better-than-expected economic data from the United States reinforced the bullish sentiment in equities throughout the year.

Global bonds experienced modest gains for the year amid inflationary pressures, as investors sought better returns

in assets such as equities and real estate, driven by higher interest rates that pushed bond yields upward.

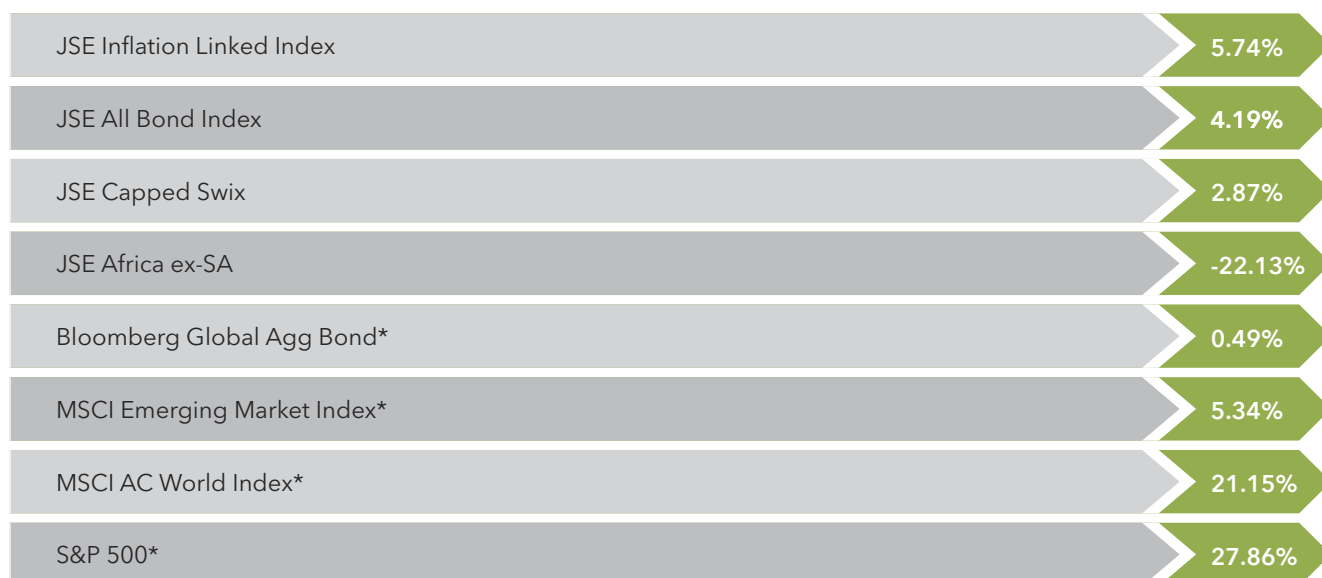
Emerging markets experienced moderate gains over the review period, characterised by varied performance across regions and asset classes. Some regions benefitted from declining inflation, which in turn boosted domestic demand. Investors also found pockets of value in emerging markets, as several stocks traded at low valuations following selloffs during the global interest-rate-hiking cycle.

Mixed results on the Johannesburg Stock Exchange

The local equity market had to contend with sluggish economic growth, persistent inflation, frequent power outages and supply-side bottlenecks. These factors, combined with a mixed array of earnings reports, resulted in disenchanting equity returns, reflecting the broader economic difficulties. The Johannesburg Stock Exchange (JSE) experienced a notable boost, driven by strong performances in the financials and industrials sectors, which saw year-end gains of 6.85% and 7.26% respectively. Conversely, the resources sector significantly detracted from overall performance, recording a substantial decline of 12.51%. This downturn is attributed to the South African market currently being at the low point of the commodity cycle.

Listed property rebounded with a positive return of 13.18% for the financial year on the back of positive sentiment for easing inflation and the potential for SARB rate cuts. Consequently, the sector benefitted as investors factored in the prospect of lower borrowing costs and increased valuations for listed property stocks.

Graph 13: Index returns one year to 31 March 2024



*Returns in USD

Non-residents sell South Africa assets

The challenging local macroeconomic environment has also negatively affected capital markets, with non-residents continuing to be net sellers. According to the JSE, non-residents' net sales rose to R134 billion in 2023, up from R84.7 billion in 2022. This ongoing increase in sales, with a

rise in delisting's on the JSE, reflects investor concerns about economic difficulties and escalating geopolitical tensions. The number of JSE-listed counters fell from 304 in 2022 to 284 in 2023.

Table 3: Sales of South Africa assets

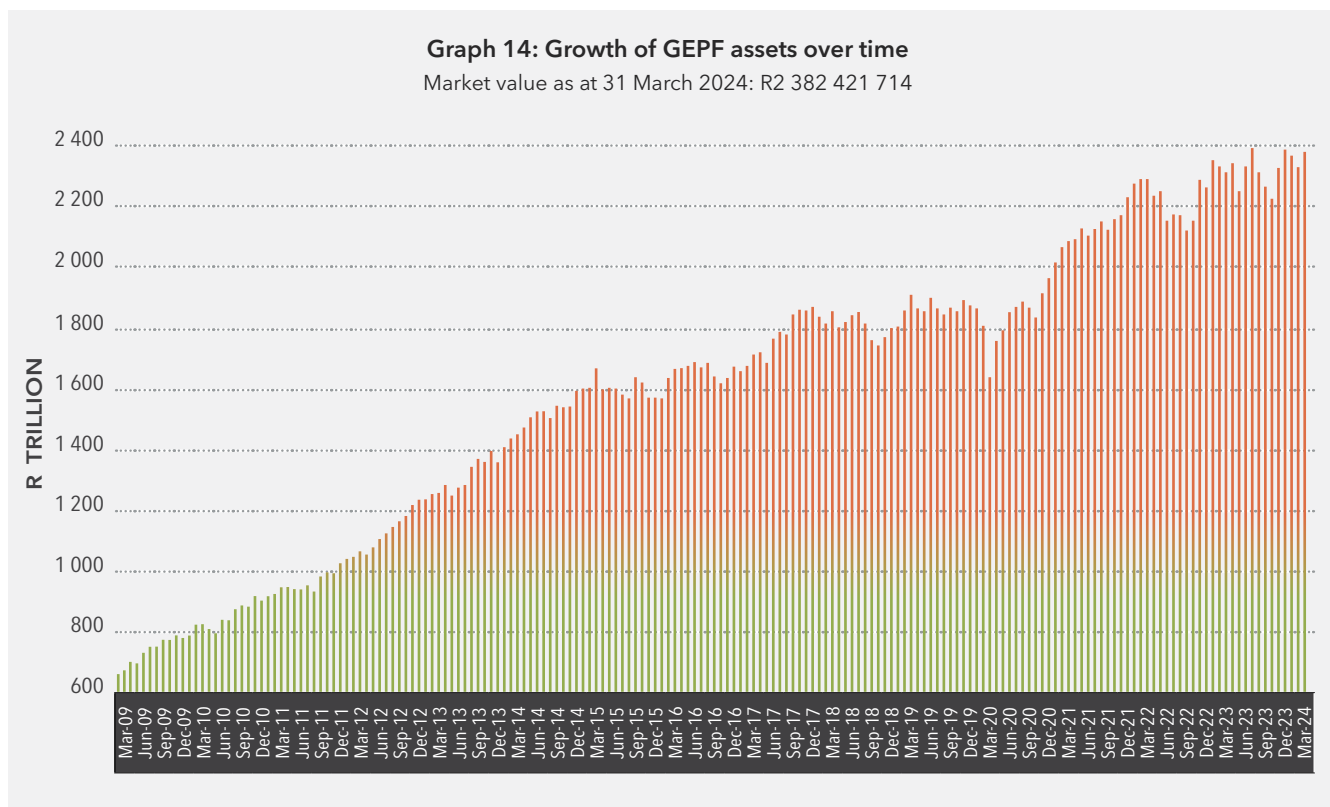
	JSE	A2X Markets	Cape Town Stock Exchange	The Integrated Exchange	ZAR X
2021	324	60	11	4	4
2022	304	93	15	6	3
2023	284	180	21	7	-
2024 (as at 29 February)	283	180	21	7	-

The FSCA revoked the licence of ZAR X on 13 February 2023

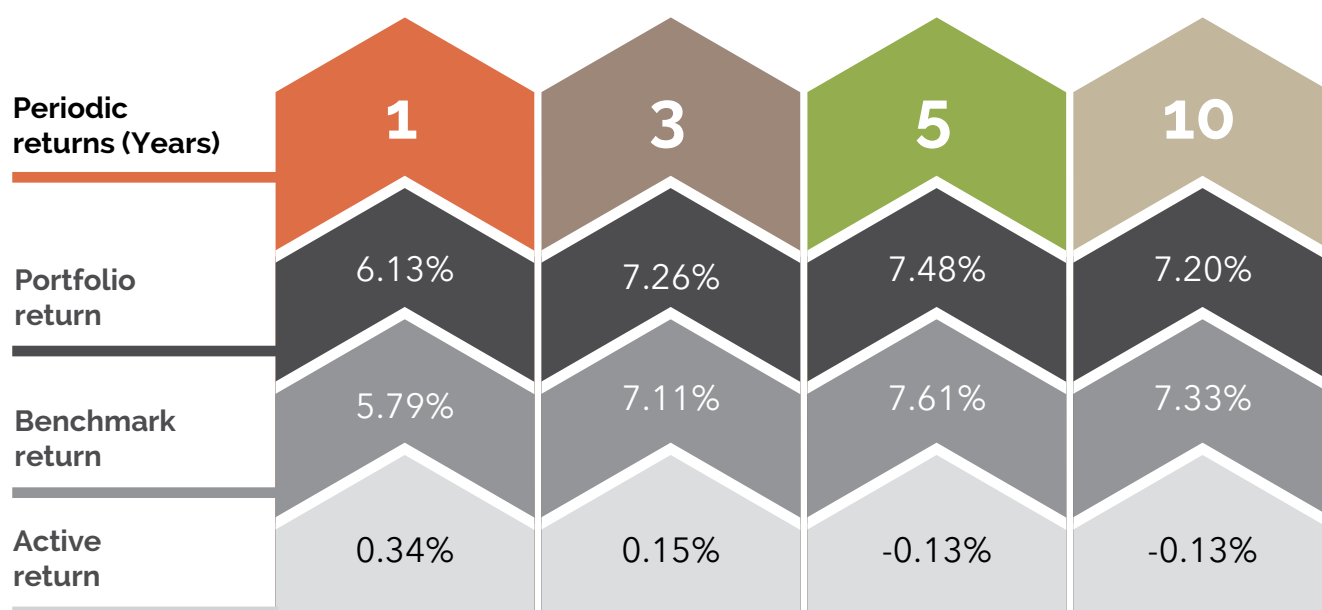
Source: SARB, GEPF

THE INVESTMENT MARKETS

The market value for the financial year saw an increase of 2.6%, driven by positive returns across various asset classes and the benefits of strategic diversification. The Fund marked another significant milestone, surpassing R2.4 trillion in December 2023 for the first time. This was fuelled by a bull run beginning in November 2023, which led to strong rebounds in both equities and bonds.



Fund performance



Annualised returns per period

From March 2023 to March 2024, international equities significantly boosted Fund performance, achieving an impressive 45.65% return in Rand terms due to favourable market sentiment towards developed economies and weak local currency. Investments outside the South African

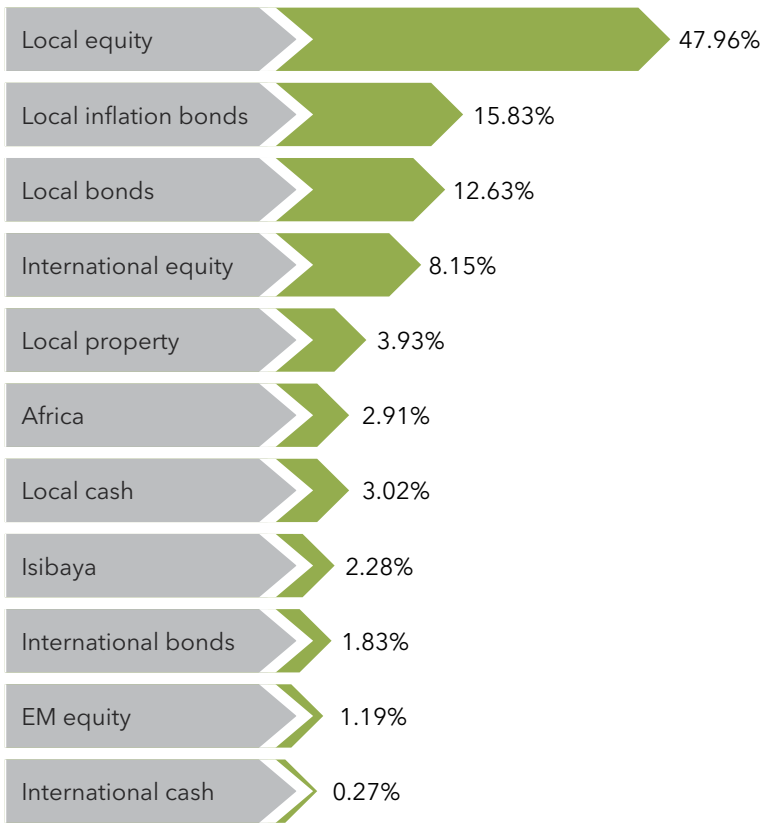
market generated the highest returns, with international bonds and emerging market equities each exceeding 28%. Despite their relatively small allocation, these assets made a notable contribution to the portfolio's overall return.

Contribution to portfolio return per asset class - one year return to 31 March 2024

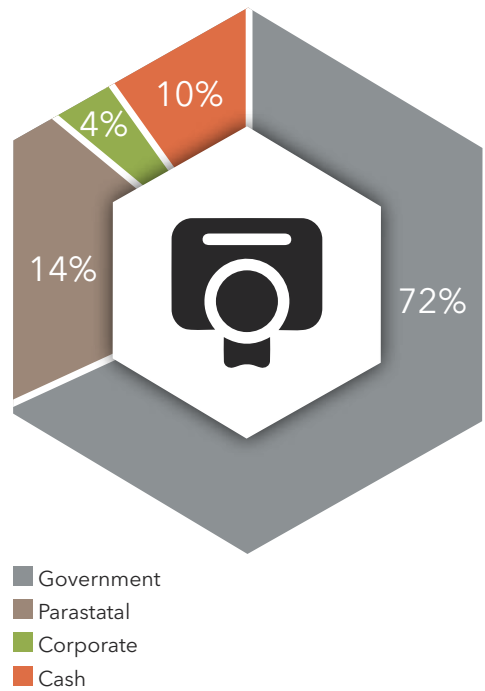
ASSET CLASS	WEIGHT	RETURN	CONTRIBUTION
International equities	8.15%	45.65%	3.72%
Local inflation bonds	15.83%	5.97%	0.95%
Local equities	47.96%	1.84%	0.88%
Local bonds	12.63%	4.15%	0.52%
International bonds	1.83%	28.07%	0.51%
Emerging markets equities	1.19%	29.88%	0.36%
Local cash	3.02%	9.30%	0.28%
Africa	2.91%	7.75%	0.23%
International cash	0.27%	2.24%	0.01%
Local property	3.93%	-1.37%	-0.05%
SRI fund	2.28%	-3.60%	-0.08%

PORTFOLIO PERFORMANCE

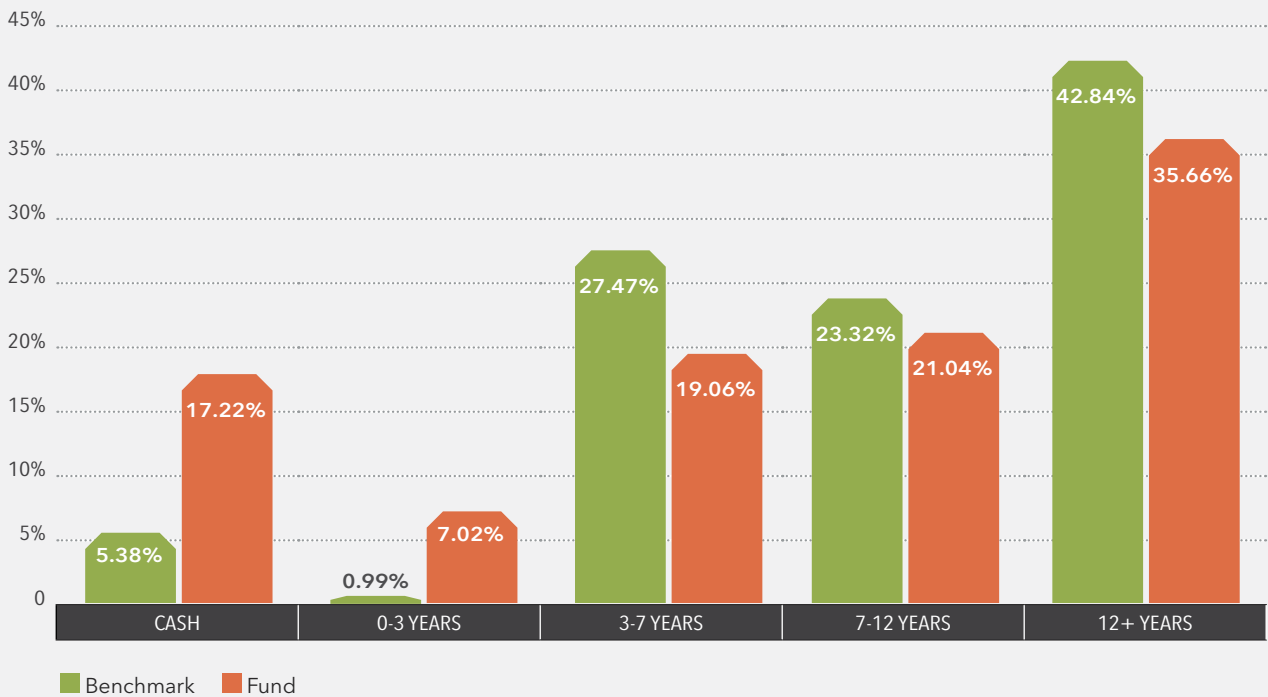
ASSET ALLOCATION



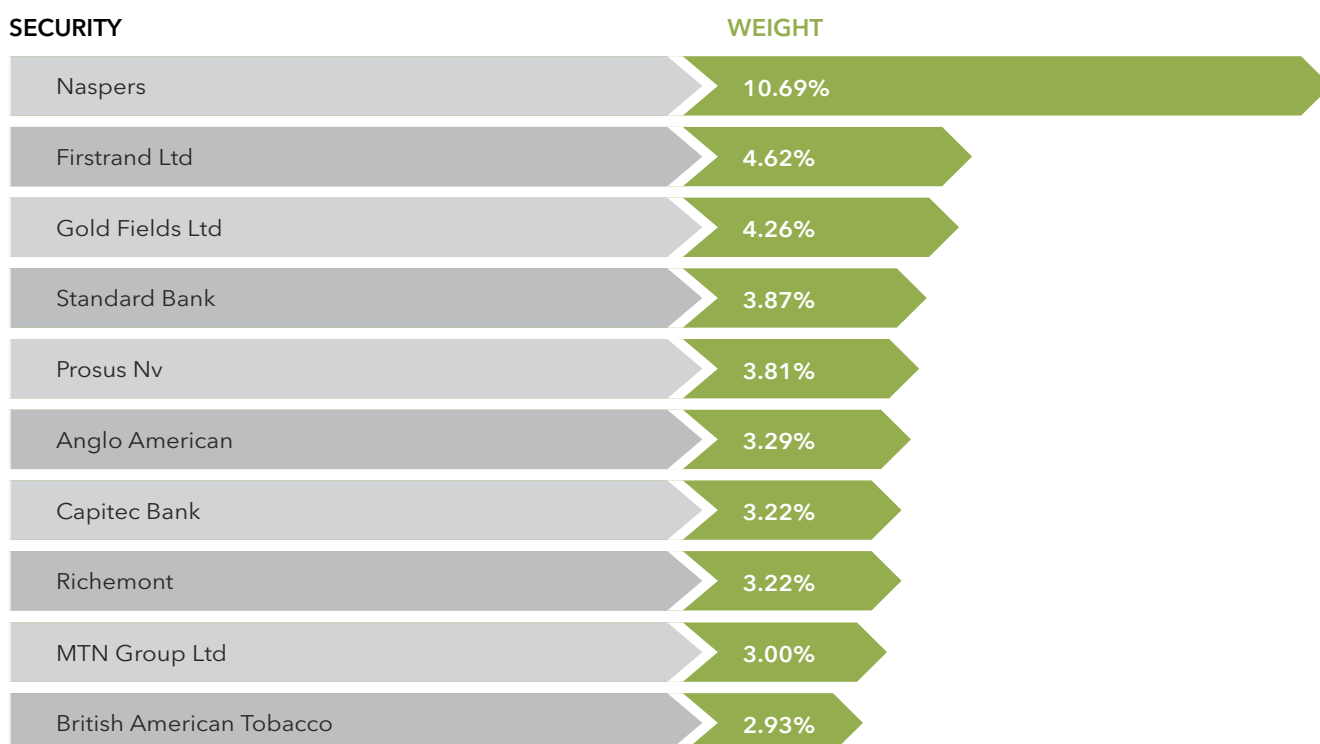
BOND ISSUER EXPOSURE



Graph 15: Maturity band exposure



TOP TEN EQUITY HOLDINGS



UNLISTED INVESTMENTS

INVESTMENT MANAGEMENT FEES

Management fees on the unlisted portfolio have remained relatively stable over the financial year.

Investment management fees	2023/24	2022/23
PIC unlisted portfolio	R242 381 980	R253 697 936
Internally managed portfolio	R44 519 764	R34 365 015

INTERNALLY MANAGED – PRIVATE EQUITY PORTFOLIO

The GEPF manages an internal portfolio earmarked for allocation to private market funds that invest on the African continent. The portfolio's objective is to enhance returns and further diversify the Fund's internal portfolio by targeting investments in sectors and companies not represented in listed markets. As of 31 March 2024, the Fund had committed US\$785 million to eight Africa-focused private market funds.

The private capital fund managers have drawn 91.74% of the capital committed to the GEPF Africa-focused fund-of-funds investment programme. These managers pursue direct investments in diversified sectors, including energy, financial services and technology, telecommunication and transport.

Table 5: Assets under management - internally managed private market portfolio

Fund name	Commitment (US\$)	Percentage of internally managed portfolio
African Development Partners II	\$30 million	3.82%
African Development Partners III	\$40 million	5.10%
African Infrastructure Investment Fund 4 Partnership	\$60 million	7.64%
Capital Alliance Private Equity IV	\$20 million	2.55%
Pan-African Infrastructure Development Fund I	\$250 million	31.85%
Pan-African Infrastructure Development Fund II	\$350 million	44.59%
South Suez Africa Fund II	\$25 million	3.18%
Verod Capital Growth Fund II	\$10 million	1.27%
Total	\$785 million	100%

Source: GEPF

Given the vintage of the funds in the portfolio, stated in the table below, the funds have reached the exit phase, with distributions occurring more frequently as the funds gain traction in the exit of the portfolio investments.

Table 6: Vintage of portfolio funds

Private market firm	Fund name	Year	Allocation (US\$ 000)	% Drawn	Distributions (US\$ 000)	Strategy
African Capital Alliance	Cape Alliance Private Equity IV	2015	\$20 000	99.41%	\$3 947	A diversified West African private equity fund making equity and equity-related investments in high-growth sectors such as business services, energy, fast-moving consumer goods, financial services and telecommunications in West Africa and the Gulf of Guinea
African Infrastructure Investment Managers	African Infrastructure Investment Fund 4	2023	\$60 000	16.91%	-	A pan-African fund that invests in infrastructure and infrastructure-related assets in Africa, with a focus on sub-Saharan Africa. The fund's focus sectors include digital infrastructure, energy transition and ports and logistics
Development Partners International	African Development Partners II	2015	\$30 000	94.51%	\$17 884	A diversified private equity fund committed to building a diversified pan-African portfolio of private equity investments in established and growing companies, emphasising those benefitting from Africa's growing middle class
Development Partners International	African Development Partners III	2020	\$40 000	77.76%	\$2 667	A sector-agnostic fund managed by Development Partners International, whose investment strategy has been consistent across all three funds raised. The fund aims to invest in large, profitable and cash-flow-positive African companies that benefit from growth in Africa's middle class
Harith General Partners	Pan-African Infrastructure Development Fund I (PAIDF I)	2007	\$250 000	100%	\$22 158	Invests in private equity interests in African continent infrastructure development projects in sectors such as power and energy, telecommunication, transport, water and sanitation
Harith General Partners	Pan-African Infrastructure Development Fund II	2016	\$350 000	100%	-	This follow-up fund to PAIDF I invests in private equity interests in infrastructure development projects on the African continent
South Suez Capital	South Suez Africa Fund II	2014	\$25 000	84.13%	\$3 086	A generalist pan-African fund-of-funds, it invests through fund managers, supplementing this exposure with a pool of co-investments and secondary opportunities

Private market firm	Fund name	Year	Allocation (US\$ 000)	% Drawn	Distributions (US\$ 000)	Strategy
Verod Capital Partners	Verod Capital Growth Fund II	2015	\$10 000	100%	\$6 352	Invests in equity and equity-linked securities in Nigerian and Ghanaian growth-stage companies requiring growth capital
Total			\$785 000	91.74%	\$56 147	



Source: GEPF

The internally managed private markets portfolio is a true pan-African portfolio with assets across the African continent, ensuring that the Fund is active in the economies of South Africa and the rest of the continent. The Fund’s investment allocation by geography is depicted in the graph on the next page. Looking ahead, the GEPF aims to expand the portfolio over time by allocating to rest of Africa-focused private markets managers with a proven track record.

The fund managers, in alignment with the GEPPF's mandate as a developmental investor, pursue direct investments in diversified sectors, including energy, financial services and technology, telecommunication and transport, as shown in the graph below.

Graph 16: Exposure by sector



Energy 38.33%	Industrials 1.19%
Telecoms 31.22%	Utilities 0.66%
Transport 18.32%	Real estate 0.43%
Consumer 4.85%	Materials 0.40%
Financials 3.02%	IT 0.2%
Healthcare 1.42%	

Graph 17: Exposure by geography



Pan Africa 37.20%
South Africa 30.93%
Nigeria 10.59%
East Africa 9.69%
North Africa 7.84%
West Africa (ex-Nigeria) 3.69%
Southern Africa (ex SA) 0.07%

ISIBAYA PORTFOLIO

The Isibaya portfolio was established in 1999 to house the GEPPF's unlisted developmental investments portfolio. Its objective is to deliver on the Fund's developmental impact objective and generate positive financial returns. The GEPPF has committed more than R100 billion across the three Isibaya funds. The PIC has on behalf of the GEPPF committed R78 billion and invested R72 billion in investments across sectors including renewable energy, financial services and housing.

Table 7: Isibaya portfolio

Isibaya Fund	Year of commitment	Commitment amount
Fund I	2013	R23 billion
Fund II	2016	R70 billion
Fund III	2022	R25 billion
Total		R118 billion

Graph 18: Isibaya sector allocation



■ Agriculture 4%	■ Manufacturing 15%
■ Consumer goods 1%	■ Media 1%
■ Credit and mezzanine 28%	■ Mining, oil & gas 2%
■ Energy 6%	■ Rest of Africa 19%
■ Financial services 6%	■ Transportation 7%
■ Fund-of-funds 6%	□ Construction 0%
■ Healthcare 2%	□ Education 0%
■ Housing 2%	□ Tourism 0%

The portfolio is managed by the PIC on behalf of the GEPP and includes a mix of developmental and private market (direct and funds) investments in South Africa (81%) and the rest of Africa (19%). Fund III, the latest vintage commitment, is in the investment stage, while funds I and II have reached the end of the investment stage.

The invested portfolio is well diversified, with investments in the sectors indicated below.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONSIDERATIONS

As the largest asset owner in the South African economy, the GEPF is committed to achieving long-term sustainable economic, social and environmental impacts. Integral to our investment beliefs is the integration of ESG principles to ensure responsible and sustainable investment practices across our investment portfolio. Our approach aims to enhance the long-term sustainability of the Fund, deliver risk-adjusted returns and address socio-economic imbalances in our society.

ESG can transform society by encouraging companies to act responsibly, minimise their environmental impact, improve their social performance and strengthen their governance practices. The Fund considers ESG issues across its entire portfolio, which spans every economic sector and asset class. Therefore, issues externalised in one portion of the portfolio are likely to appear in another.

The GEPF continues to enhance its responsible investing agenda, recognising that it is able to make a significant difference through its investment decisions.

It seeks to address the socio-economic imbalance in South Africa, while contributing to global sustainability objectives such as mitigating climate change, protecting human rights

The overarching objective of the GEPF's strategy to integrate ESG issues into investment decisions and ownership practices is to protect and enhance the long-term value of the Fund's investments.

GEPF responsible investing policy

and promoting responsible business practices. As part of this journey, the GEPF has developed a suite of integrated ESG policies.

The policies identify investment opportunities that are better positioned to adapt to changing market conditions, climate change, technological advancements, and societal shifts, thereby improving the depth and breadth of investments and providing a more comprehensive view of investment opportunities.



DEVELOPING OUR FUTURE COLLECTIVELY

In the GEPF context, development supports and guides investments to create a sustainable, equitable and inclusive economy. This encompasses investments in infrastructure development, job creation, poverty reduction and environmental protection all while ensuring risk-adjusted returns for its members, pensioners and beneficiaries.

Our continued policy work creates a framework for developmental investments that is aligned with South Africa's National Developmental Plan and its international obligations such as the Sustainable Development Goals, the Paris Accord and the best practice policy framework. The ultimate objective is to enhance economic growth, create opportunities for economic empowerment and improve the lives South Africans. The Fund is committed to making investments that have a positive developmental impact, as reflected in the below key principles of its developmental investment policy.

The GEPF, as the largest investor in South Africa and as a corporate citizen and thought leader, should set an example to other investors and asset owners and be a conduit for investments that support the broader developmental investment agenda of South Africa.

GEPF developmental investment policy

Our beliefs that support and guide investment toward creating a sustainable, equitable and inclusive economy

Investment capital can and should be put to use not only for the pursuit of returns. Sound investments can be combined with socially useful outcomes

The GEPF can make risk-adjusted financial returns for members, pensioners and beneficiaries while helping to make South Africa (and the African continent) more competitive, reduce social backlogs, creating jobs, supporting economic transformation and making the economy more sustainable

Developmental investments have been shown to generate impressive returns and are a good form of asset class diversification

The GEPF, as the largest investor in South Africa, and as a corporate citizen and thought leader, should set an example for other investors and asset owners and be a conduit for investments that support the broader developmental investment agenda of South Africa

Developmental investment enhances the sustainability of returns in the long term, which is in the long-term interests of GEPF members, pensioners and beneficiaries

TRANSFORMING OUR WORLD

Our transformation policy guides the GEPF in investing to promote its socio-economic transformation objectives. These are return-seeking, sound investments that support and advance the transformation of the financial services sector and encourage the development of black-owned asset managers, including public/listed market fund managers, private market managers, stockbrokers, audit firms, actuarial service providers and emerging financial service providers.

The GEPF Board's primary concern is that activities are in the best financial interests of the Fund and its beneficiaries, while promoting the socio-economic transformation. We seek the best return but one that is consistent with our transformation objectives while presenting a prudent and appropriate level of risk.

This policy seeks to create a framework for the investments of the GEPF for socio-economic transformation and to be aligned with the socio-economic transformation objectives articulated in the National Development Plan.

These include:

- Reduce poverty through job creation, social protection and the expansion of economic opportunities
- Economic growth and job creation through the development of infrastructure, investments in education and skills development and the promotion of small business development
- Social cohesion by addressing the historical divisions and inequalities that exist in South African society, and the development of women, youth and persons with disabilities.

GEPF transformation policy



INCUBATING OUR TALENT

The GEPF supports the transformation and development of talent in the South Africa's investment management industry. Among the ways to achieve this is through a manager development programme typically for managers who have been identified as meriting further attention for reasons such as the achievement of:



The key criteria to consider when evaluating potential incubation asset managers are as follows:

- Entrepreneurs able to establish successful companies either through hiring excellent teams or building companies that grow successful investment capacity through time
- Talented managers who, for example, have worked for small boutique investment houses or large organisations, and want to go out on their own and start up an asset management business
- Managers or acquired teams are to have successful (and verifiable) performance histories of generating consistent risk-adjusted returns. This history could be based on actual or notional ("paper") portfolios.

The managers' portfolios should align to the GEPF's investment strategy and underlying policies.

GEPF manager development policy

OUR CLIMATE

Climate change is one of the most significant global challenges of our time, with far-reaching consequences for South Africa. We recognise the need for urgent response to mitigate threats not only to the environment but to society, the economy and the wellbeing of our beneficiaries.

As a developing country, South Africa faces multi-dimensional poverty and struggles with to uplift its population while stimulating economic growth. Its unique position as a developing nation striving for progress but heavily reliant on fossil fuels and emitting substantial greenhouse gases, emphasises the complexity of its climate commitments. The country must balance environmental sustainability with the need to address socio-economic disparities.

An intricate balancing act is required to enable the transition to a low-carbon, sustainable future. Given its investment beliefs,¹ the GEPF can leverage current and future investments to promote environmentally responsible practices and contribute to climate action.

The Fund also recognises that even activities currently reliant on fossil fuels can mitigate climate change and that the Fund can contribute towards decarbonisation. It has committed to the following climate change and just transition objectives:

As South Africa's largest investor, the GEPF acknowledge its role in supporting the nation's transition towards a just and more sustainable, low-carbon and climate-resilient future. It plays a pivotal role in facilitating the country's efforts to attain its nationally determined contributions, which have been presented at the Conference of the Parties (COP).

GEPF climate change policy



¹ GEPF investment beliefs available at: www.gepf.co.za/investments/

ACTIVE OWNERSHIP

Active ownership remains crucial for the GEPF to safeguard its investment value while promoting responsible business practices for the long-term benefit of its members, pensioners and beneficiaries.

Our engagement and proxy voting approach involves comprehensive interactions with companies and stakeholders across all asset classes on specific ESG issues to maximise critical insights and drive positive change. The GEPF is committed to diligently monitoring its engagement and proxy voting process and activities, and those conducted on its behalf by the mandated asset manager. We report transparently on engagement activities in a way that does not compromise shareholder value.

Active engagement and voting lead to improved corporate behaviour and more sustainable and responsible practices, enhancing environmental impact, social responsibility and governance standards.

The GEPF is a founding signatory to the Principles of Responsible Investing (PRI), formerly known as the United Nations Principles of Responsible Investing, and has been a member of the initiative since its inception in 2006. The PRI is the largest global reporting project on responsible investment and signatories are required to report publicly on their activities each year.

The GEPF considers active ownership a means of obtaining higher long-term returns of which proxy voting is one component. Enabling the GEPF to signal and express views on investees' corporate behaviour and to open the dialogue to engagement are vital to effect sustained change.

GEPF proxy voting policy

The primary objective of the GEPF's ongoing engagements with investees is to protect and enhance investment value for GEPF members, pensioners and beneficiaries over the short-, medium- and long term. This is informed by the belief that enhanced stewardship practices by asset owners mitigate risks and increase the stewardship of financial and pension capital towards a sustainable financial system that ultimately leads to enhanced long-term portfolio returns.

GEPF engagement policy

For the year under review, the GEPF scored exceptionally well in its annual assessment, particularly on policy governance and strategy, listed equity (active and passive) and fixed income and private equity. Scores ranged from 85% to 91%, well above the median range of between 40% and 65% and outperforming many local and global peers.

SUMMARY SCORECARD

■ PRI median ■ Module score

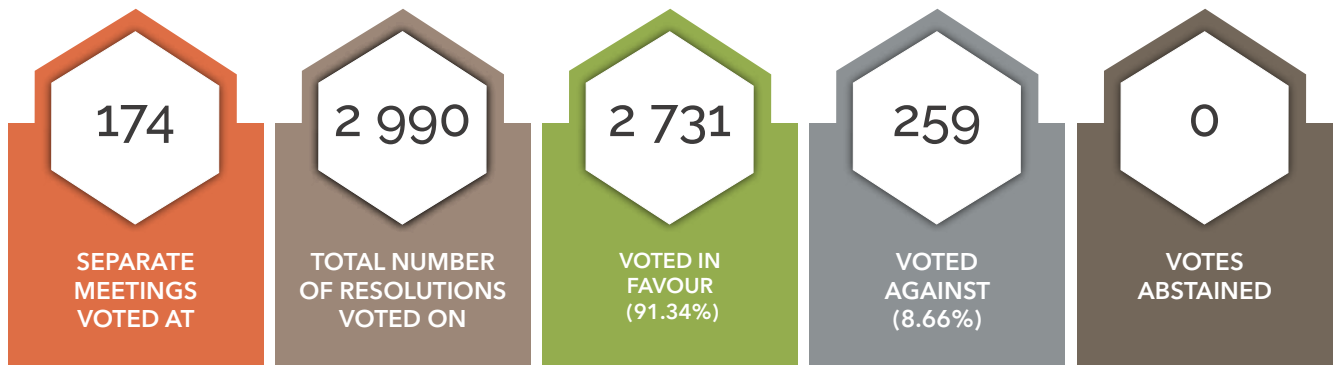
Module score	AuM Coverage	★☆☆☆☆ (>0≤25%)	★★☆☆☆ (>25%≤40%)	★★★☆☆ (>40%≤65%)	★★★★☆ (>65%≤90%)	★★★★★ (>90%)
Policy governance and strategy					81	
Indirect - listed equity - passive	>50%				91	
Indirect - listed equity - active	<10%				91	
Indirect - fixed income - passive	>10% and <50%				89	
Indirect - fixed income - active	<10%				89	
Indirect - private equity	<10%				89	
Indirect - real estate N/R	<10%					
Indirect - hedge funds N/R	<10%					
Confidence building measures					85	

VOTING AT SHAREHOLDER MEETINGS

The GEPF exercised its shareholding rights via its responsible investment and proxy voting policy implemented on its behalf by the PIC.

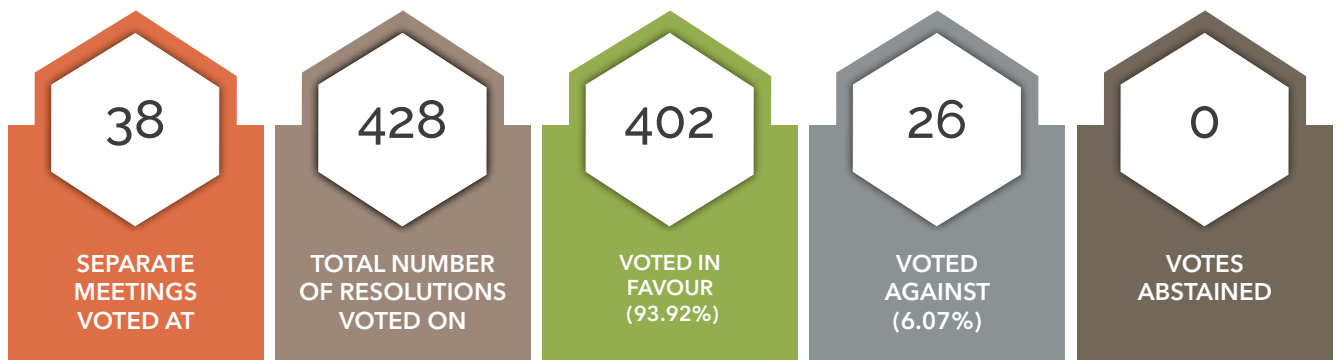
LISTED EQUITY

During the year under review, the PIC, for the GEPF, voted on 2 990 resolutions at 174 meetings, as shown below.



UNLISTED INVESTMENTS

The PIC voted on 428 resolutions at 38 meetings, as shown below.



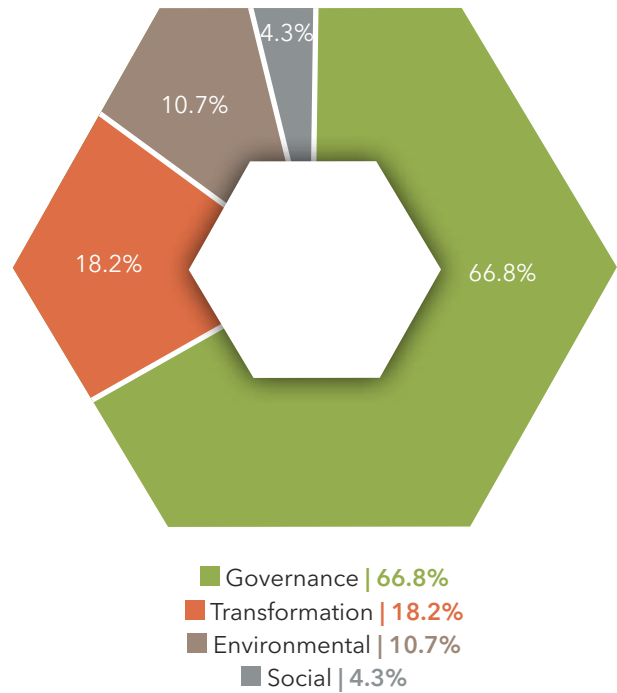
ENGAGEMENTS WITH INVESTEEES

LISTED ENGAGEMENTS

Through the PIC, 104 engagements took place on 253 ESG matters. Most related to governance (66.8%), followed by transformation (18.2%), environment (10.7%) and social (4.3%).

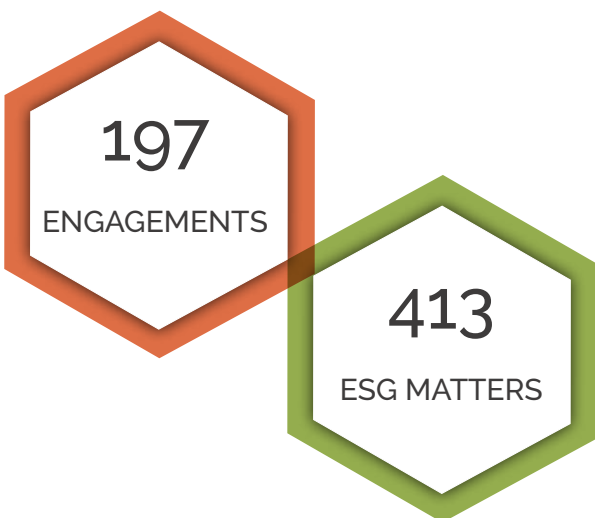


Graph 19: ESG engagement pillar - listed equities

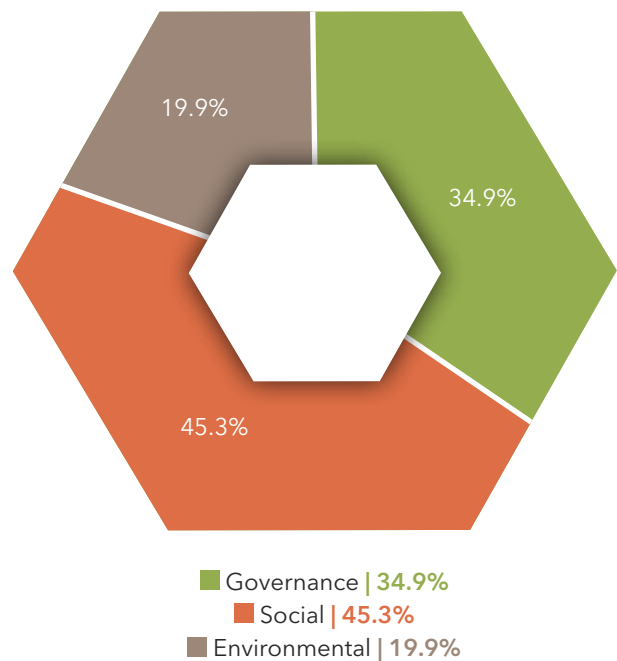


UNLISTED ENGAGEMENTS

For the financial year, the GEPF, through the PIC, participated in 197 engagements on 413 ESG matters. Social and transformation accounted for most engagements (45.3%), followed by governance (34.9%) and the environment (19.9%).



Graph 20: ESG engagement pillar - unlisted investments



COLLABORATION

In line with principle 5 of the Principles of Responsible Investing, fostering collaboration for effective implementation of responsible investing principles through supporting appropriate initiatives and collectively addressing emerging issues through networks and information platforms is key in supporting sustainable finance. During 2023/24, the GEPF collaborated with the following institutions:

- United Nations on the Principles of Responsible Investment
- Ceres Valuating Water Finance Task Force
- Code for Responsible Investing in South Africa
- International Sustainability Standards Board
- Asset Owners Forum
- Institute of Retirement Funds Africa.

INVESTING FOR DEVELOPMENTAL IMPACT







Impact investing in the GEPF context involves investing to generate positive, measurable social and environmental impact with a financial return. The GEPF is acutely aware of the country's structural challenges and weak GDP growth, which hinder progress in reducing poverty and bridging inequalities.

South Africa has one of the highest global inequality rates, which significantly impedes development and the potential to achieve future investment returns. Hence,

the GEPF's transformative and developmental objectives focus on eliminating discrimination and providing equal opportunities for historically marginalised groups and for individuals with disabilities. These efforts strive to build a more equitable and just society, ensuring equal opportunities for all citizens, regardless of race, gender or other personal factors. This dovetails with the objectives of the Sustainable Development Goals and the National Development Plan.

MEASURABLE SOCIAL IMPACT

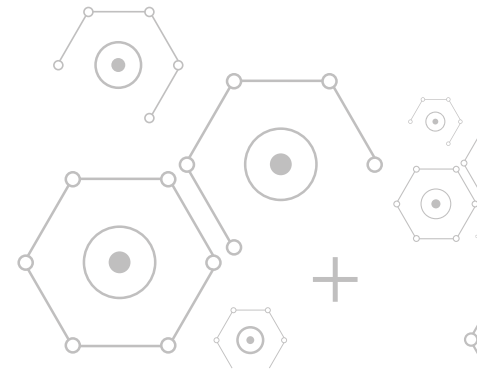
The GEPF's key developmental impact achievements for this financial year are shown below.

	DEVELOPMENTAL INDICATORS	ACHIEVEMENTS
	Employment opportunities created Youth employed Persons with disabilities	172 757 29 358 448
	Energy	2 058.29MW added to the grid
	Student loans Student accommodation beds (under construction/refurbishment)	R561 040 23 898
	Farms supported Hectares of agricultural land	19 25.490ha
	Hospital beds Hospitals and clinics	1 309 9
	Ownership 42% are broad-based black economic empowerment rated between levels 1 and 4 42.9% are black female owned	

REPORTING

The Fund reports to its stakeholders openly and transparently and its responsible investment policy is publicly accessible. It tracks the progress of its ESG-related activities through:

- Internal quarterly reporting on GEPF's listed and unlisted investments to the GEPF governance structure, including the GEPF Board
- Quarterly review of stewardship activities, including proxy voting and engagements
- Setting standards and requirements on ESG criteria and reporting for its asset managers
- Specialist research and tracking of responsible-investment controversies, ESG ratings and alerts
- Investment Liaison Committee and ESG working group meetings to improve monitoring and oversight.







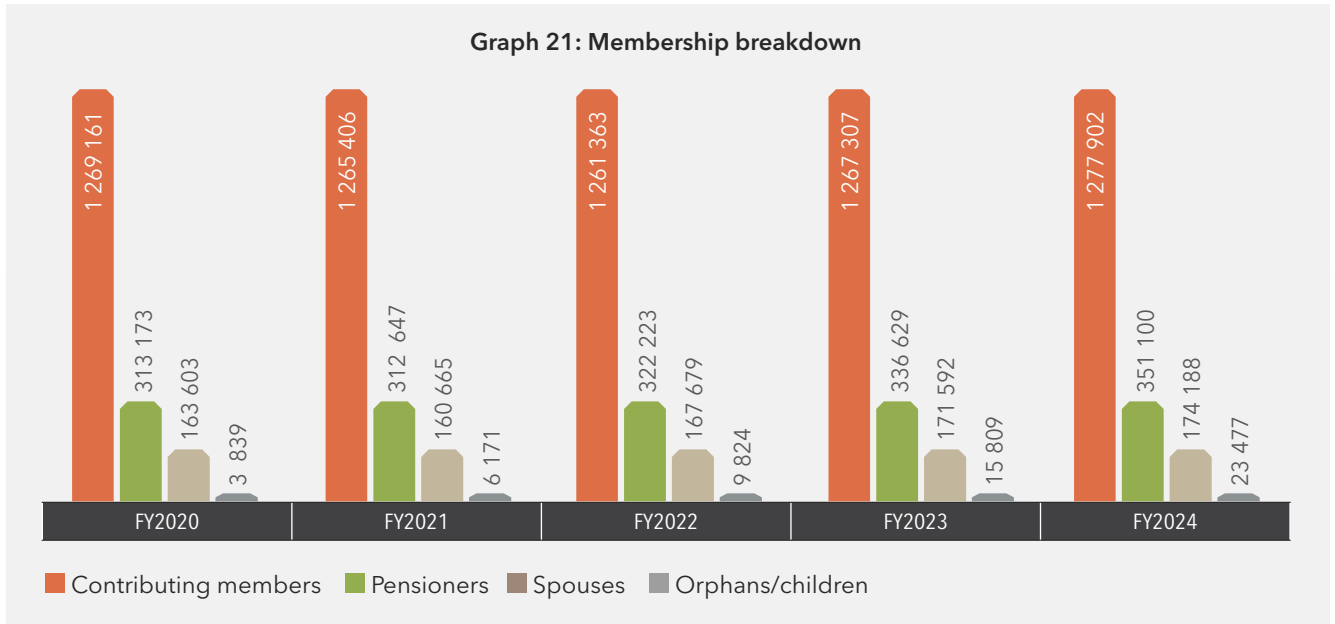
PART 7:

MEMBERSHIP AND BENEFITS

MEMBERSHIP

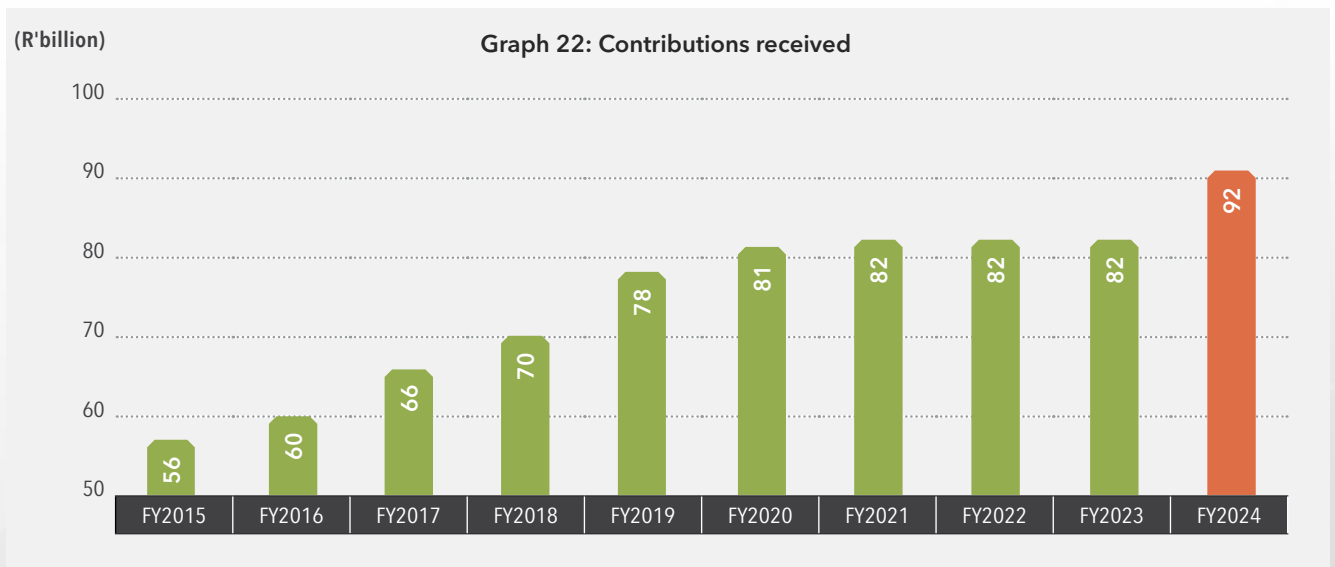
During the year under review, the GEFP provided benefits to 1 277 902 active members and 548 765 pensioners and beneficiaries.

The figure below depicts changes in membership and beneficiaries over the past five years. The number of members and pensioners increased during this financial year due to an increase in the number of retirements, and death and funeral claims received and paid.



BENEFITS PAID AND CONTRIBUTIONS RECEIVED

Contribution income increased by 10.88% during the reporting period. The increase is due to the wage increase for public servants and the increase of active membership in the Fund.



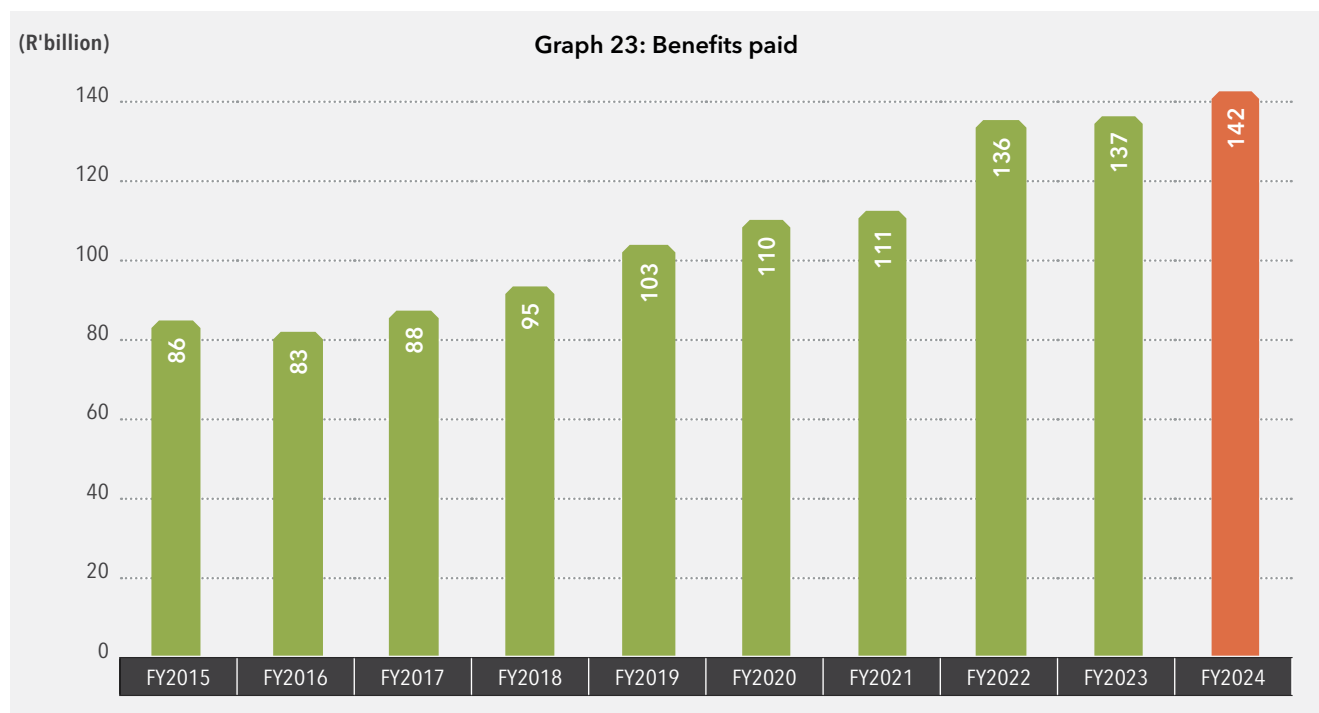
Benefits paid during the year under review increased by 3.49%, from R137.43 billion in the financial year 2022/23 to R142.46 billion. This is attributable to the increased quantum of the benefits due to the higher pensionable salaries.

The GEPF is a defined-benefit fund, thus benefits defined in the rules of the Fund are guaranteed rather than dependent on the amounts contributed by the member and employer.

The GEPF provides:

- Benefits for normal, early and late retirement and ill-health retirement
- Resignation benefits
- Benefits for members affected by retrenchment/restructuring
- Funeral benefits
- Death in service.

Detailed information on GEPF benefits is available at www.gepf.co.za.



The GPAA processed and finalised 35 523 member retirements during the period under review (2022/23: 37 440). Gratuities paid totalled R22.6 billion (2022/23: R22.3 billion) and annuities R77.6 billion (2022/23: R70.4 billion).

An amount of R27.6 billion (2022/23: R32.9 billion) was paid in resignation benefits to 22 671 beneficiaries during the year under review (2022/23: 27 229).

The GEPF paid R7.5 billion (2022/23: R9.8 billion) in death benefits for 6 097 (2022/23: 8 770) claims during the reporting period.

The GEPF pays annuities to the widow/er of members who have a full potential service period of 10 years or more who die in service or after retirement.

In 2023/24, 174 188 spouses received annuities (2022/23: 171 592). A total of 10 084 new applications were processed

(2022/23: 10 944), with 4 862 of spouse pension recipients passing away during the year (2022/23: 4 869). Some 2 626 spouses were suspended due to outstanding certificates of existence (2022/23: 2 158).

The GEPF pays annuities to the orphans of members who became pensioners on or after 1 December 2002. A child's annuity is also payable when a member, who has a service period of 10 years or more, dies in service or at retirement.

The number of orphans/children receiving a GEPF benefit during the year was 23 477 (2022/23: 15 809). A total of 10 764 new applications were processed (2022/23: 8 382), with 1 518 of the those receiving a benefit from the GEPF having reached the termination age (2022/23: 1 188). A total of 1 578 beneficiaries were suspended due to outstanding certificates of existence (2022/23: 1 209).

The GEPF processed and paid 24 380 funeral benefit claims (2022/23: 28 453).

Of the 8 879 contributing member claims paid (2022/23: 10 875), 5 072 were for members (2022/23: 6 119), 2 871 for members' spouses (2022/23: 3 630) and 936 to members' children (2022/23: 1 126).

Of the 15 501 pensioner claims paid (2022/23: 17 578), 12 207 were for pensioners (2022/23: 13 760), 3 235 for pensioners' spouses (2022/23: 3 751) were and 59 for pensioners' children (2022/23: 67).

A total of R350.9 million in funeral benefits was paid to beneficiaries during the reporting period (2022/23: R416 million).

ADMINISTRATION AGAINST PERFORMANCE

The GPAA manages member services and the payments of benefits through a service level agreement. The performance of the GPAA against the service level agreement is summarised in table 8 below.

Due to the GPAA's performance in the current year falling below the agreed service level standards, the GEPF has actively engaged with the GPAA to develop and implement strategies for improving service levels.

Table 8: Annual performance against SLA

Category	Service level agreement items (quarter four)	Weight	Measure Target (90%)	Quarter one 2023/24	Quarter two 2023/24	Quarter three 2023/24	Quarter four 2023/24	Red, amber, green indicator
* Member benefits	32	20%	90%	55%	58%	87%	84%	Yellow
¬ Member interaction	30	20%	90%	90%	86%	90%	98%	Green
« Member administration	8	20%	90%	88%	88%	92%	67%	Red
^a Fund financial management	11	20%	90%	67%	78%	100%	75%	Red
© Good governance and compliance	30	20%	90%	80%	79%	76%	71%	Red
ALL Weighted average of five categories	111	100%	90%	74%	76%	89%	79%	Red

BENEFITS PAID WITHIN 60 DAYS

According to section 26 of the GEP Law, a benefit payable shall be paid to the member, pensioner or beneficiary within 60 days of it becoming payable.

Table 9: SLA compliance

Exit type	<= 60	61 to 90	91 to 120	121 to 150	151 to 180	181 to 240	241 to 365	366 to 730	730+	Total	%
Retirement	20 007	3 318	2 247	1 436	1 017	826	1 078	1 362	4 232	35 523	52.97%
Death	40	270	459	507	837	496	1 169	1 206	1 113	6 097	9.09%
Resignation	11 046	3 264	2 123	1 386	1 056	866	930	791	1 209	22 671	33.81%
Transfers	1 363	372	256	206	141	127	132	99	72	2 768	4.13%
Total	32 456	7 224	5 085	3 535	3 051	2 315	3 309	3 458	6 626	67 059	100%
%	48.40%	10.77%	7.58%	5.27%	4.55%	3.45%	4.93%	5.16%	9.88%	100%	

Paid claims - period from exit date to payment date

During the financial year, our administrator paid 32 456 of 67 059 claims within 60 days of date of exit, complying with the GEP Law. The percentage is low, which can be

attributed to late submissions of claim documents by the employer and documents rejected due to errors.

Table 10: Paid claims from liability date to payment date

Exit type	<= 60	61 to 90	91 to 120	121 to 150	151 to 180	181 to 240	241 to 365	366 to 730	730+	Total	%
Retirement	32 940	1 753	424	141	66	53	56	43	47	35 523	52.97%
Death	3 412	1 201	590	300	140	156	169	89	40	6 097	9.09%
Resignation	21 056	1 002	273	79	53	75	81	31	21	22 671	33.81%
Transfers	2 490	160	51	22	14	15	12	4	0	2 768	4.13%
Total	59 898	4 116	1 338	542	273	299	318	167	108	67 059	100%
%	89.32%	6.14%	2.00%	0.81%	0.41%	0.45%	0.47%	0.25%	0.16%	100%	

The above table illustrates the administrator performance relative to the periods in the claims payment processes that are under administrator control. The period is from when correct and complete information is received (liability date) from the employer to the date of the claim payment (payment date). The administrator paid 89.32% of 67 059 claims within 60 days of receiving correct and complete claim information.

INITIATIVES UNDERTAKEN TO IMPROVE BENEFIT PAYMENTS

The GPAA is considering various models and methods to improve payments of benefits. Initiatives undertaken in the year under review included:

- Client liaison officers working closely with employer departments to attend regularly to their enquiries and educate them on pension matters
- Relooking at the business process to reduce the number of 'hands attending to a claim'
- Assessing how regional and branch offices can assist with payment of benefits
- Reviewing the death benefits process and benchmarking against the private sector to ensure beneficiaries are not left destitute.

SATELLITE AND REGIONAL OFFICE PERFORMANCE

Table 11: Enquiries received

Region	Office	Total
Gauteng	Trevenna	72 704
	Johannesburg	45 108
North west	Mahikeng	17 156
	Rustenburg	16 603
Limpopo	Polokwane	29 222
	Thohoyandou	11 198
Northern Cape	Kimberley	15 859
Eastern Cape	Mthatha	27 042
	Gheberha	17 303
	Bhisho	22 804
Western Cape	Cape Town	31 374
Free State	Phuthaditjhaba	5 031
	Bloemfontein	25 937
KwaZulu-Natal	Durban	33 894
	Pietermaritzburg	28 604
Mpumalanga	Mbombela	19 649
Total/weighted		419 488

Table 12: Complaints received

Period	Opening balance	Complaints received	Complaints resolved	Closing balance	Per cent resolved
2019/20	32	2 240	-2 250	22	99%
2020/21	22	2 822	-2 844	-	100%
2021/22	-	2 525	2 439	86	97%
2022/23	86	2 471	-2 439	118	95%
2023/24	118	1 387	-1 409	96	94%

Unclaimed benefits

Unclaimed benefits are those claims where the mode of exit and the last day of service are known but the benefit is not paid within 24 months of the last day of service. Total unclaimed benefits include normal exit unclaimed benefits, PDP unclaimed benefits and S-cases.

Table 13: Normal exit unclaimed benefits

Unclaimed benefits category	31 March 2023 number of cases	31 March 2023 R	31 March 2024 number of cases	31 March 2024 R
Appeal Costs Board rejection	10 105	466 166 682	10 313	303 646 266
Insufficient payment information	3 547	258 713 775	3 502	295 655 866
Funeral benefit	162	1 548 399	181	1 846 458
Transferred to untraceable	5 488	56 178 280	5 150	49 613 016
Tax-related issues	613	11 565 604	596	10 774 247
Dispute cases	205	38 465 588	161	25 998 929
Gross total	20 120	832 638 329	19 903	687 534 782

Table 14: Percentage change in unclaimed benefits balances

Unclaimed benefits category	Number of cases	Amount R	% change
Opening balance: 1 April 2023	20 120	832 638 329	-
Transfers 2023/24	8 509	625 251 116	75
Total before payments	28 629	1 457 889 445	
Payments 2023/24	(8 726)	(770 354 663)	(53)
Closing balance: 31 March 2024	19 903	687 534 782	

During 2023/24 the unclaimed benefits balance increased by 75% of the opening balance and the Fund paid 53% of unclaimed benefits. A total of R770 million has been paid to former members and beneficiaries. The above breakdown excludes 505 recorded claims with outstanding exit documentation which amount to R20 625 573 including interest.

Processes undertaken with the implementation of the approved unclaimed benefits strategy are as follows:

- Decentralising and capacitating the tracing function by recruiting tracing agents in all provinces
- Engaging provincial departments on tracing
- Engaging provincial Department of Cooperative Governance and Traditional Affairs units such as community development workers, municipal councillors and traditional leaders in all provinces on tracing
- Publishing provincial lists of unclaimed benefits on the GEPF website
- Tracking and tracing beneficiaries of unclaimed benefits through telephone, SMS and email using available contact details
- Using government department data to cleanse unclaimed benefits contact details.

The following challenges have been experienced with unclaimed benefits:

- Family disputes, delays in the appointment of executors or opening of estate bank accounts
- Incorrect data kept by GEPF, such as contact details
- Submission of documents to GEPF offices by beneficiaries living far from GEPF offices
- Incorrect information submitted or incorrectly completed forms
- Fraudulent claims.

S-cases are those where contributions were not received for a continuous period of 120 days and the mode of exit is unknown. The exit document (Z102) is outstanding from the employer.

Table 15: Departmental breakdown per employment sector of S-cases

Employer	Number of cases	Amount R
Department of Education	16 460	352 352 850
Department of Health	4 196	127 075 734
South African National Defence Force	313	12 652 151
South African Police Service	119	4 435 192
Other	1 601	74 918 348
Total Benefits	22 689	571 434 275

The Department of Education has the highest amount worth R352.3 million. Some of the cases have different pension numbers for the same member due to multiple contracts. In most cases the members are reluctant to sign their exit documents because they are still contributing members.

Unclaimed pension benefits for past discriminatory practices (PDP)

PDP benefit cases aim to address and rectify past discriminatory practices for all eligible members.

Table 16: Past discriminatory pension benefits redress on 31 March 2024

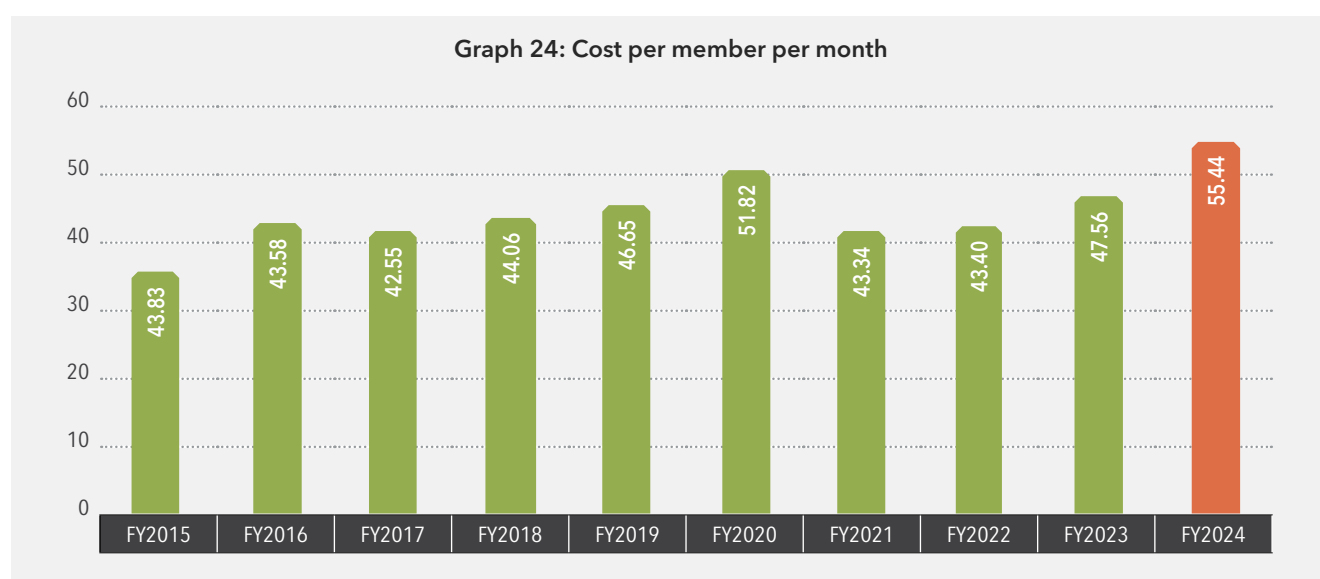
	Number of cases	Amount R
Opening balance: 1 April 2023	10 736	556 642 903
Transfers 2023/24	386	52 960 248
Total before payments	11 124	609 603 151
Payments 2023/24	(2 158)	(120 631 871)
Closing balance: 31 March 2024	8 968	488 971 281

Table 17: Past discriminatory pension benefit death and alive status

	Amount	Amount percentage %	Cases	Cases percentage %
Death	486 857 903	99.57	8 931	99.61
Alive	2 113 378	0.43	35	0.39
Gross total	488 971 281	100.00	8 966	100.00

Table 18: Breakdown of administrative costs

Administration fees	2022/23	2023/24
Administration fee	1 022 253 000	1 215 184 000
Number of members	1 791 337	1 826 670
Contributing members	1 267 307	1 277 905
Pensioners	336 629	351 100
Spouses	171 592	174 188
Children and orphans	15 809	23 477
Annual cost per member (all members and beneficiaries)	R582	R665
Monthly cost per member	R48	R55



The GEPF remains committed to ensuring the efficient and effective administration of benefits for our members. As part of this effort, we have continued to work closely with the GPAA, which is responsible for the day-to-day administration of member benefits. Over the past year, the GPAA has made significant progress in delivering services that align with our standards and expectations, ensuring that our members receive the timely support they need.

A key area of focus has been the efficient processing of new member admissions and the issuance of membership certificates. Thanks to the ongoing collaboration between the GEPF and GPAA, new members are onboarded swiftly, receiving the necessary documentation to access their benefits without unnecessary delays.

In addition, the GEPF has worked with the GPAA to enhance the accuracy of member records, particularly for dependents and nominees. Ensuring that this information remains up to date is essential for safeguarding the integrity of member entitlements, and we are pleased with the improvements seen over the past year in this regard.

The GEPF's priority of maintaining accurate and timely records has been supported by the GPAA's dedication to managing

both new entrant and existing member information. These improvements reflect a shared commitment to upholding the highest standards of data integrity and service delivery.

Financial operations, such as the reconciliation of monthly contributions and the prompt payment of pensions, are critical to maintaining trust with our members. The GPAA, working closely with the GEPF, has continued to meet these obligations, ensuring that pension payments are made accurately and on time.

While there have been challenges in certain areas, such as the issuance of pensioner cards and the processing of funeral benefits, the GEPF has actively engaged with the GPAA to address and resolve these issues. The prompt corrective measures taken have resulted in service levels returning to, and in many cases exceeding, our expected standards.

Overall, the GEPF values the ongoing partnership with the GPAA and their commitment to improving service delivery. The progress made this year underscores our shared dedication to providing the best possible service to our members, ensuring their benefits are administered with the efficiency and care they deserve.



PART 8:

STAKEHOLDER RELATIONS AND COMMUNICATION

INTEGRATED MARKETING AND COMMUNICATIONS

Our approach to stakeholder management and communications is aligned to our vision of being a global leading and reputable pension fund that delivers quality service to beneficiaries. We empower stakeholders through information about their benefits and how to access them, thus facilitating better decision-making. We build and maintain relationships with all stakeholders and build institutional respectability by enhancing our reputation and brand.

The Fund's key objective remains delivery of clear, relevant, and accessible communication. Our integrated marketing and communication strategy outlines the core messaging during the period under review:

- Communicate information about the GEPF's rules, regulations and policies in an effective and efficient

manner to clients and stakeholders to enable them to make fully informed decisions

- Keep members, pensioners, beneficiaries and stakeholders informed about individual issues and their Fund's administration
- Consult with stakeholders on changes to policies and procedures that affect the Fund and them
- Market the GEPF as a preferred and beneficial fund for its members
- Support employer departments to fulfil their responsibilities, thus ensuring ease of doing business with the GEPF
- Enhance the Fund's reputation as a leading pension fund by entering partnerships and promoting thought leadership and benchmarking in South Africa and internationally.

EXTERNAL COMMUNICATIONS

Maintaining healthy, mutually beneficial relationships with stakeholders is an integral part of the GEPF's communication strategy. Relationships allow the Fund to

deliver on its mandate to ensure that members, pensioners, beneficiaries and stakeholders remain well informed about the Fund and the activities that affect them.



OUTREACH AND EDUCATION

Outreach activities are member meetings and engagements held throughout the country. At these events, trustees and GEPF and GPAA officials deliver presentations and answer stakeholder questions. Officials are also on hand for one-on-one sessions with members and pensioners. Organisations such as the South African Revenue Service, Financial Services Conduct Authority and the Government Employees Medical Scheme take part in the meetings to improve members' financial literacy. During the period under review, several outreach events were held.

- Twelve GEPF day events were held across all provinces. These days are held on a Saturday from 08:00 to 16:00 in targeted communities, ensuring that as many stakeholders as possible are reached. As the provinces with the largest population density and highest numbers of members and pensioners, two GEPF days were hosted in Gauteng, KwaZulu-Natal and Eastern Cape.
- Pre-retirement workshops seek to prepare members aged between 55 and 59 for a smooth retirement and a comfortable life thereafter. Twelve workshops were held during the year across all provinces.
- Forums/working sessions with departmental human resource and finance practitioners help to clear bottlenecks that may occur when employees are assisted to apply for their GEPF benefits. Nine such forums were hosted during the financial year across the provinces.
- National and provincial government departments and government entities play an integral role in educating members about GEPF benefits and processes. They also ensure that members' applications for benefits are accurately captured and processed. Eleven events were held with departments and government entities in the period under review, including departments of agriculture, correctional services, employment and labour, tourism, transport, social development and National Treasury. State entities include the South African Social Support Agency and the South African Revenue Service. Community development workers and provincial government communicators were engaged in Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga and North West. These engagements are separate from the daily activities undertaken by the GPAA's client liaison officers (CLO) who engaged members through 877 retirement sessions, 1 894 employer education sessions, 1 319 awareness workshops and 49 789 individual member engagement sessions.
- Fourteen public sector unions invited the GEPF to address their members at 32 nationwide events, including conferences, general meetings other forums.

The unions included: the Health and Other Services Personnel Trade Union of South Africa, National Teachers' Union, National Professional Teachers' Organisation of South Africa, Professional Educators' Union, Public Servants Association of South Africa and Suid-Afrikaanse Onderwysers Unie.

STRATEGIC ENGAGEMENTS AND PARTNERSHIPS

To further strengthen relationships with the bargaining council and employee unions, the GEPF implemented the following:

- Engagements with the bargaining council to discuss benefit-related matters
- Use of union and stakeholder association forums, meetings, publications and electronic platforms to communicate to members and pensioners
- Engagements with the ministers of finance and of public service and administration (and their departments) on employer issues.

DIGITAL EDUCATION PROGRAMME

Webinars are an effective and efficient means of sharing information using digital and social media platforms that can reach wide audiences. Webinar topics during the year included reasons for members to retire with the GEPF, annual pension increases and the first sessions on the upcoming two-pot retirement system legislation. Organisations engaged through the webinars were the National Professional Teachers' Organisation of South Africa, South African Policing Union and South African Revenue Service.

As sessions are recorded, stakeholders may access them on demand, thus enhancing the ways in which our audience can benefit from our educational materials. For example, the webinar on the two-pot retirement system reached nearly 170 000 followers, was viewed over 130 000 times, garnered more than 700 reactions and was shared 320 times on social media.

TELEVISION AND RADIO

The GEPF ran a campaign on the SABC 1 consumer rights programme *Yi Lungelo Lakho* ('It's your right'). The initiative comprised six one-hour shows over six months. Topics ranged from why one should retire with the GEPF, unclaimed benefits, Fund resilience and actuarial factors to five-year balance, the GEPF investment strategy and an introduction to the two-pot retirement system.

Twenty-four episodes were flighted, reaching 14.4% of adults with a frequency of 1.3. Viewership numbered 12.29 million.

To further enhance its education campaign, the GEPF aired education and communication campaigns on SABC radio channels. This entailed the integration of a GEPF storyline into 30-minute radio dramas and one-hour talk shows on all the SABC stations. Topics spanned GEPF resilience, benefits, tax and retirement, pension increases, five-year balance, actuarial factors, comparison between Fund benefits and private sector annuities, and the GEPF investment mandate.

These campaigns, which involved 332 radio spots, reached more than 27.1 million listeners nationwide. An average frequency of 6.3 was achieved, with 09:00 to 11:00 achieving the highest reach - 7.1% or 22 663 000 listeners. Reach was 31% (140 million listeners), with an average of 6.3% given that listeners may hear a spot more than once.

To augment the national radio channels, the topics were carried through to community media at six-week intervals. This campaign involved 18 radio stations and 30 local newspapers covering many of South Africa's rural communities.

INTERNAL COMMUNICATIONS

To enhance internal communication, the Fund introduced a quarterly staff newsletter, *Insight*, and internal communications emailer and WhatsApp group for news dissemination as needed. *Insight* was published six times during the year, with two special editions covering the GEPF 2023 annual thought leadership conference 2023.

Internal communication and engagement also involved:

- Providing information technology guidance and support to employees

- Communicating important information to trustees, management and employees
- Regular messages from the PEO to employees on key issues and milestones
- Continuation of established internal communication programmes such as information dissemination via email, intranet, staff meetings and screensavers
- Events commemorating Freedom Day (27 April), Youth Day (16 June), Women's Day (9 August) and Heritage Day (24 September).

REPUTATION MANAGEMENT PROGRAMMES

ANNUAL THOUGHT LEADERSHIP CONFERENCE

The fifth thought leadership conference was held in October 2023. Catering to senior executives, trustees and directors of pension funds, asset owners, asset managers and investment managers, it brought the foremost international and local speakers in the retirement, pension and investment fields together to discuss and debate changes and challenges. The conference is founded on knowledge sharing and thought-provoking presentations and seeks to devise solutions, generating business and connecting with new and existing pension networks.

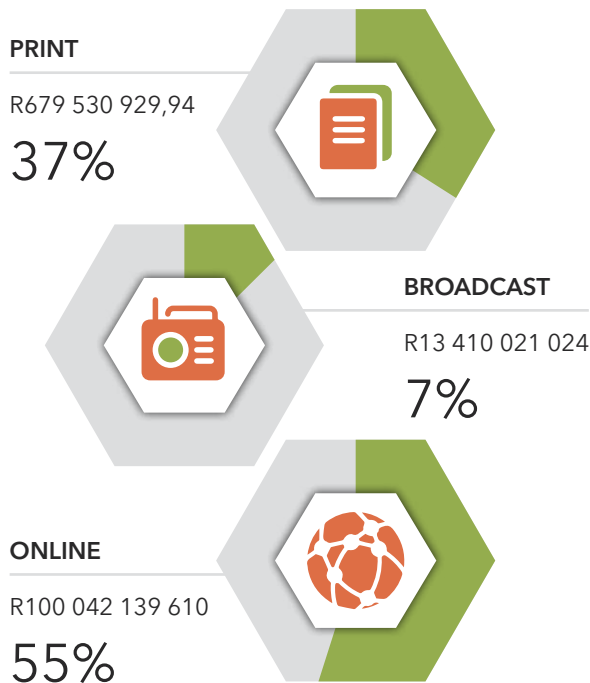
The 2023 conference attracted 404 delegates from pension funds, asset owners and managers from around the world. The event was broadcast on Asset TV and on GEPF social media platforms.

MEDIA RELATIONS

During the period under review, 23 media enquiries were attended to, six media statements were issued, seven media interviews were conducted by the GEPF relating to investments and governance. Board members, executives and selected managers attended media training. Highlights included:

- Clip count (number of times media mentioned the Fund) increased from 1 March 2023 to 31 March 2024 by 254, or 16%, compared to 28 January 2022 to 28 February 2023
- Print increased by 112 (20%) clippings to 679, broadcasts dropped by 26 (16%) to 134 and online mentions rose by 168 (20%) to 1 000, bringing the total to 1 813 against the 1 559 of the corresponding periods in 2022/23

- Print circulation increased by 1 106 007 (9%) to 13 616 928, broadcast was down by 244 999 288 (74%) to 87 810 781 and online was up by 593 066 428 (30%) to 2 546 075 760 - a total of 2 647 503 469, up on the previous period's 2 298 330 322.



SOCIAL MEDIA

Social media is now a constant and a crucial component of any effective communication strategy. The GEPF has adopted Facebook, X, LinkedIn, and YouTube as pillars of its strategy. Pre-determined messaging is shared weekly, and clients and stakeholders are invited to communicate directly with the Fund.

Facebook provides the highest reach, with more than 39 000 followers consuming GEPF content daily. X saw moderate growth in the financial year and has surpassed the 10 000-follower mark. The GEPF page has been verified and features a gold star next to the name, indicating that the page is authentic. Due to the successful social media activity at the time of the GEPF annual conference, LinkedIn experienced phenomenal growth of 361% over the two days of conference. The page now has more 6 400 followers and continues to grow.

The cumulative reach of social media content in the period exceeded 1.1 million across the platforms. More than 50 pieces of video content were shared, generating 1.1 million impressions or opportunities to be seen and accumulating more than 500 000 views.

BRAND STRATEGY

The GEPF strengthened its integrated marketing and communications approach by developing a strategy focused on enhancing its reputation, building brand image and stakeholder trust.

The brand strategy presents the GEPF as a caring pension fund whose aims are to secure the future of members, pensioners and their beneficiaries, and emphasise the need for members to make the right decisions today for financially secured tomorrows. This is articulated in the campaign line 'Tomorrow shouldn't be a worry, when today is done right' which continues to be the theme across all brand communications.

A science-influenced media strategy has been implemented so that messages reach the right target audience at the right time to ensure effective education and communication. Through our strategies, benefits, services and provision of information, tools and access to resources, we reassure members and pensioners of safe and secure investment, empower them and give them peace of mind. Brand advertising included three print campaigns in national and regional publications, two radio campaigns in isiZulu,

isiXhosa, English, Sepedi, Afrikaans, Sesotho and Setswana on national and regional stations, three digital banner-advertising campaigns on selected websites and a SABC television campaign using news clocks and squeeze backs (adverts flighted during the screening of a programme). The last-mentioned exposed the Fund to estimated 22.9 million viewers, while radio reached more than 27 million listeners, print campaigns circulation exceeded 200 000 and digital impressions per campaign topped 800 000.

INVESTMENT TOURS

The GEPF, with its asset managers – the PIC and Harith General Partners – hosts investment tours quarterly to investee companies.

The purposes are to:

- Showcase GEPF investments done through the PIC and Harith to stakeholders, enhancing the Fund's reputation
- Expose GEPF Board and investment team to the asset managers' rationale and business case in investing, while noting possible improvements
- Observe the social and economic impact of investments

- Gain in-depth knowledge about the investee companies being visited and how they operate
- Monitor and assess investee companies' current and future performance
- Assess future sustainability of investee companies.

During the reporting period, the GEPF visited 14 of the targeted 15 investee companies under unlisted assets, both in and outside South Africa. Of these, eight are performing assets and six distressed. An investee company in Kenya was not visited due to logistics issues. The following key findings were noted during the visits:

Governance

Most investee companies that are family- or individual-owned are less diversified ownership structure. However, the GEPF, through the PIC, has initiated transactions to aid transformation. Certain investees visited have complex structures and multiple sub-entities, which complicates oversight and monitoring. Others have board vacancies that should be filled by the PIC. Black economic empowerment partners in certain companies have no technical or operational knowledge of the industry which is also a hindrance to oversight and monitoring.

Common challenges

Most investee companies visited have unreliable electricity supply and some experience water supply issues. The assets of a number of distressed investees are not well

managed and they are being turned around. In other companies, involvement and commitment from investors appear limited and some black economic empowerment partners are not involved in or committed to the businesses. Most of those visited indicated that market, socioeconomic and global challenges such as logistics also affect their operations. Market concentration, particularly in retail, was highlighted as a key challenge by some companies.

Transformation

Black women are inadequately represented in executive and senior management in most investee companies, with family- or individual-owned operations have lower transformation and gender equity. Women and people with disability are more evident at senior management level than in executive management. Several companies did not outline a proper plan to address transformation issues. However, junior staff in these businesses are black and from the local area, which contributes positively to the community.

Other

Community corporate social investment initiatives such as bursary programmes are fairly widespread in many companies. Some investees allow the community to buy high-quality food at an affordable price. Most companies visited incorporate ESG in their operations and all vindicated the PIC or Harith investment decision despite drawbacks.





PART 9:

ACTUARIAL VALUATION

FUNDING OF LIABILITIES

In terms of the GEP Law and the rules of the Fund, an actuarial valuation must be conducted at least once every three years. The latest valuation that is available is the one conducted as at 31 March 2021. The next valuation will be as at 31 March 2024, and is currently being conducted. The results of the 31 March 2024 valuation will be published in the future annual reports.

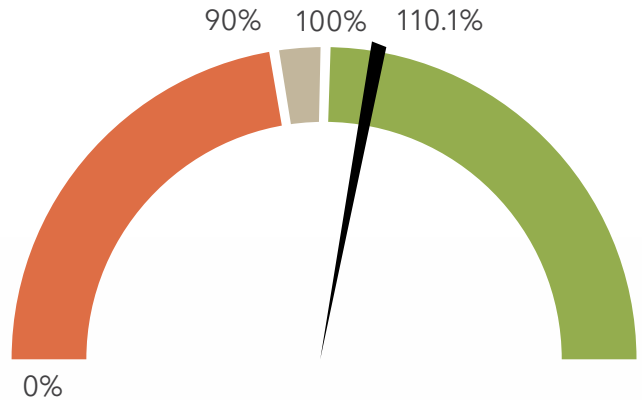
The valuation as at 31 March 2021 was conducted based on the funding policy that was adopted by the Board of Trustees in consultation with the Minister of Finance. The policy provides for the comparison of the assets held by the Fund with the valuation of liabilities, or the expected cost of earned benefits, on a long-term best estimate basis.

The funding level of liabilities is the Fund's key financial gauge. The higher the funding level, the better the financial position. The results of the 2021 actuarial valuation show the Fund is 110.1% funded, i.e. there are enough assets to cover the actuarial liabilities in full.

The funding policy requires that the Board of Trustees ensure that the funding level of liabilities is above 90%. This is in line with Rule 7.2 of the rules of the Fund, which states that the employer contributions should be sufficient to

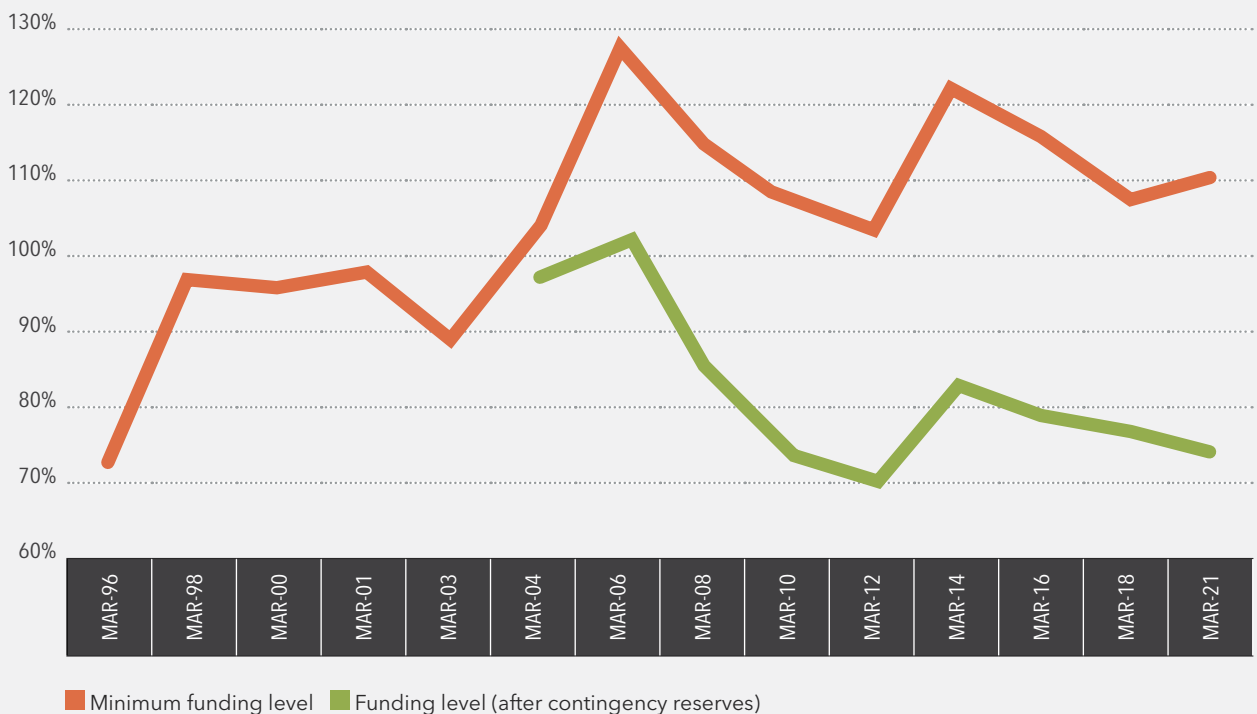
ensure that the Fund is able to always meet its obligations, subject to a funding level of liabilities of at least 90%. At 110.1%, the funding level of liabilities exceeds this requirement.

Funding of liabilities on 31 March 2021



Fourteen statutory actuarial valuations have been conducted since the establishment of the Fund in May 1996 with the most recent having been undertaken as at 31 March 2021. The following graph illustrates the funding level trends:

Graph 25: History of funding levels



FUNDING OF LIABILITIES AND RESERVES

The funding policy also provides for the establishment of contingency reserves which is a buffer to protect the fund against mortality and investment risk in the future, i.e. pensioners living longer than expected, and investment returns being lower than expected, and to increase the target for future pension for future pension increases from 75% to 100% of headline inflation.

The valuation reports since 31 March 2004 have reported on the comparison of the assets held by the Fund with the valuation of the liabilities on the long-term best estimate basis together with the contingency reserves recommended by the valuator. The funding level of liabilities and contingency reserves is a policy measure that plays a

key role in the decisions concerning benefit improvements, pension increases and employer contributions.

The results of the 31 March 2021 actuarial valuation show that 74.3% of the total liabilities and the full recommended contingency reserves could be afforded at the date. In terms of the policies adopted by the trustees, the contingency reserves established as at 31 March 2021 are limited to the amount affordable by the Fund, namely R186 827 million. On this basis 20.1% of the recommended contingencies reserves could be held. As at 31 March 2018, a reserve of R137 428 million (or some 19.1% of the recommended reserves) was affordable. This still means the Fund is in a sound financial position.

2021 STATUTORY ACTUARIAL VALUATION REPORT HIGHLIGHTS

Table 19: Statutory valuation assumptions as at 31 March 2021

	Total 2021	Total 2018
Contributing members		
'Other' members	1 044 847	1 048 072
'Service' members	225 597	233 751
Total	1 270 444	1 281 823
Pensioners		
Retired members	315 397	286 831
Spouses	170 236	154 802
Total	485 633	441 633

The economic assumptions were updated to consider the market conditions as at 31 March 2021. The demographic assumptions (i.e. when members are expected to resign, die or retire) were based on an investigation into the Fund's experience over the period from 1 April 2012 to 31 March 2019. The full details of the investigation are set in a report prepared by Alexander Forbes Financial Services and African Origins Actuarial Solutions, which was finalised in August 2019.

Mortality improvements are being observed internationally and South Africa has been expected to follow this trend. The actuaries therefore believe that it is appropriate to include an explicit allowance of future mortality improvements (i.e. pensioners living longer) in the 2021 valuation, as was the case in the previous valuation.

Table 20: Statutory valuation results as at 31 March 2021

	31 March 2021	31 March 2018
FINANCIAL POSITION	(R million)	(R million)
Contributing member liability	1 218 049	1 171 397
S-case and exits in progress	27 095	11 673
Pensioner and deferred pensioner liability	595 257	462 022
Data and past discriminatory practices	14 118	17 548

Table 20 cont

	31 March 2021	31 March 2018
FINANCIAL POSITION	(R million)	(R million)
Total best estimate liabilities	1 854 519	1 662 640
Net assets	2 041 346	1 800 068
Excess of assets over liabilities	186 827	137 428
Minimum funding level of liabilities	110.1%	108.3%
Recommended contingency reserves*	892 840	720 893
Total best estimate liabilities and contingency reserves	2 747 359	2 383 533
Excess of assets over liabilities and reserves	(706 013)	(583 465)
Funding level of liabilities and contingency reserves	74.3%	75.5%

*Consists of a solvency reserve of R459 152 million, 100% consumer price index pension increase reserve of R383 733 million and a mortality improvement reserve of R49 955 million. The minimum funding level improved from 2018 to 2021.

EMPLOYER CONTRIBUTION RATE 2023/24

The employer currently contributes at a rate of 16% of pensionable salary in respect of "services" members and 13% in respect of "other" members. All members of the Fund contribute at a rate of 7.5% of pensionable salary.

Based on the best-estimate actuarial valuation basis and ignoring the excess of assets over the best-estimate liabilities, the required employer contribution rate is 17.3% of pensionable salary in respect of services members, and 13.5% for other members, reflecting the difference in the benefit structure of these two categories.

A statutory valuation of the Fund's assets and liabilities and the assessment of required contribution rates by the employer are currently being conducted. It is anticipated that the impact on the funding level in the next financial

year of any shortfall in the required contribution rate by the employer will, as has been the experience in the past, be small (of the order of 0.014%). It is therefore felt that there is no need to increase the employer contributions now until the results of the current statutory valuation are finalised.



Sandile Mbili

Fellow of the Actuarial Society of South Africa
 For the purposes of professional regulation, my primary regulator is the Actuarial Society of South Africa
 In my capacity as valuator to the Fund
 8 August 2024





PART 10:

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES

For the year ended 31 March 2024

RESPONSIBILITIES

The Board of Trustees (the Board) believes that, during the year under review, in the execution of its duties it:

- Ensured that proper registers, books and records of the Fund were kept, inclusive of proper minutes of all resolutions passed by the Board;
- Ensured that proper internal control systems were implemented by or on behalf of the Fund;
- Ensured that adequate and appropriate information was communicated to the members of the Fund, informing them of their rights, benefits and duties in terms of the rules of the Fund;
- Took all reasonable steps to ensure that contributions, where applicable, were paid in a timely manner to the Fund;
- Obtained expert advice on matters where it required additional expertise;
- Ensured that the rules, operation and administration of the Fund complied with the applicable laws;
- Was not aware of non-compliance with any applicable legislation; and
- Ensured that investments of the Fund were made and maintained in accordance with the Fund's investment strategy.

CYBER SECURITY ATTACK

On 16 February 2024 and 04 March 2024 the Fund was affected by a ransomware attack where criminals gained unauthorised access to the GEFP's administrator, the GPAA's information and communication technology (ICT) systems.

This ransomware attack affected the GPAA operations and our service to the members until April 2024, the integrity of the Fund's financial reporting systems was not compromised. Details of the incident have been provided to the Information Regulator as required by the Protection of Personal Information Act (POPIA), and where certain members personal information was compromised, the Fund is in the process of finalising the list of affected data subjects and discharging its responsibilities to the affected individuals in accordance with the requirements of the POPIA Act. As at 30 September 2024, we are not aware of non-compliance with laws and regulations relating to the cyber incident. The GPAA has implemented more secure systems to improve their security posture and the GEFP augmented the GPAA ICT systems with external service providers. With assistance of these external service providers, the risk of a third attack has been minimised due to the controls that have been put in place and the continuous improvement of the security posture.

The key initiatives that have assisted in reducing malicious activity include advanced patch management, system cleanups

and 24/7 monitoring of the environment for threats, with timely responses. Some of these initiatives were implemented post 31 March 2024. The deployment of solutions to monitor, detect and respond to threats has strengthened and improved the overall security posture, and ongoing Cybersecurity Posture Analysis will guide further improvements. The GEFP remains committed to working with the GPAA to address any external dependencies, ensuring that the risk to benefit administration and the Fund is significantly reduced, allowing us to continue providing efficient service to our members and keeping their data secure.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements of the Government Employees Pension Fund (GEFP) are the responsibility of the Board. The Board fulfils this responsibility by ensuring the implementation and maintenance of accounting systems and practices adequately supported by internal financial controls. These controls, which were implemented and executed by the Fund, provide reasonable assurance that:

- The Fund's assets are safeguarded
- Transactions are properly authorised and executed
- The financial records are reliable.

The annual financial statements set out on pages 118 to 160 were prepared in accordance with:

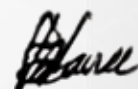
- The basis of accounting applicable to retirement funds in South Africa as indicated in the principal accounting policies contained in the notes to the financial statements
- The provisions of the Government Employees Pension Law (GEFP Law); and
- The rules of the GEFP.

The independent auditors, Deloitte & Touche and Growthstone Assurance Incorporated, have reported on these financial statements and the report of the independent auditors is presented on pages 108 to 111. During their audit, the auditors were given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board believes that all representations made to the independent auditors during their audit were valid and appropriate.

These audited annual financial statements were approved by the Board of Trustees on 30 September 2024 and were signed on its behalf by:



Dondo Mogajane
Chairperson
30 September 2024



Eddie Kekana
Vice Chairperson
30 September 2024

THE AUDIT, FINANCE AND RISK COMMITTEE REPORT

For the year ended 31 March 2024

The fundamental role of the Audit Finance and Risk Committee (AFR-C) is to assist the Board of Trustees (Board) in fulfilling its oversight responsibilities in areas such as financial reporting, financial planning, internal control systems, statutory and regulatory compliance, risk management and the internal and external audit functions.

The AFR-C acts in accordance with applicable legislation and regulations. It adopted appropriate formal terms of reference as its charter and has regulated its affairs in compliance with this charter. The AFR-C has discharged its responsibilities as contained in the charter, which is updated regularly to ensure its relevance. The AFR-C's responsibilities are summarised below:

- Examine and review the quality (adequacy, reliability and accuracy) of the GEPF's annual financial statements and unaudited interim financial statements.
- Review and make recommendations to the Board in respect of any significant assumptions used by management in preparation of financial plans and budgets.
- Make recommendations to the Board regarding the approval of the annual financial statements, as well as the adoption of the unaudited interim financial statements.
- Review of the effectiveness of the internal control systems.
- Ensure that executive management implemented effective and cost-effective corrective measures to address accounting and auditing concerns identified in internal and external audits.
- Oversee the functioning of the internal audit unit of the fund through the internal audit charter, methodology and the internal audit three-year rolling plan.
- Oversee the co-ordination of the combined assurance model that seeks to ensure there is no unnecessary duplication of activities between the GPAA and GEPF internal audit.
- Receive the reports of significant findings of the GPAA internal audit and ensure that management of the GPAA implement agreed management actions.
- Ensure that the external audit firms are appointed to conduct the annual external audit for the 2023/24 financial year and ensure their independence and objectivity.
- Oversee the risk management function of the fund and ensure the separation of this function from internal audit to ensure the independence of internal audit.

Based on the information and explanations given by management and the internal audit department, and discussions with the independent external auditors on the result of their audits, the AFR-C is confident that the internal financial controls are adequate to ensure that the financial records may be relied upon for preparing the financial statements, and accountability for assets and liabilities is maintained. Nothing significant has come to the attention of the AFR-C to indicate any material breakdown in the functioning of these controls, procedures and systems during the period under review.

The AFR-C has evaluated the financial statements of the GEPF for the year ended 31 March 2024. Based on the information provided, the statements comply in all material respects with the Fund's stated accounting policies, the provisions of the GEP Law No. 21 of 1996, the GEPF rules and the regulatory framework, which the Board adopted based on the AFR-C's recommendation.



Ntsoareng Marotholi

Chairperson: Audit, Finance and Risk Committee
30 September 2024

RISK MANAGEMENT STATEMENT

For the year ended 31 March 2024

INTRODUCTION

At the GEPF, effective risk management is integral to achieving the Fund's strategic objectives. The GEPF's risk management framework is designed to provide a structured and consistent approach to ensure that the risks inherent to the Fund are identified, assessed and effectively mitigated within the Fund's approved risk tolerance levels. The management, monitoring and reporting of these risks reduce the probability of negative events and maximise the potential of credible opportunities.

The Board of Trustees, with the support of the Audit Finance and Risk Committee (AFR-C), holds the ultimate responsibility for risk management. Management is responsible for designing and implementing controls within the Fund. The risk management function facilitates and co-ordinates integrated risk management within the Fund and reporting thereon to the oversight committees.

During the 2023/24 financial year, the risk management function reviewed the strategic risk policies to ensure effective and efficient execution of the risk management mandate within the GEPF.

We are committed to continuously improving our risk management practices by incorporating feedback from our key stakeholders, past experiences and staying abreast of industry developments.

The GEPF continued to perform on its integrated risk management modalities, through consolidated risk management, fraud and forensic management, combined assurance and business continuity management within the risk management unit.

The Board of Trustees and relevant stakeholders are periodically apprised of the Fund's risk profile. An approved strategic risk profile is monitored and reported periodically. Emerging risks are also identified, assessed, monitored and reported to the relevant governance structures.

MANDATE

The Board has committed the GEPF to a process of risk management that is aligned to:

- The requirements of section 6 and 7 of the GEP Law and Rules;
- The Pension Funds Guidelines for Good Governance, known as the PF 130, issued by the Financial Sector Conduct Authority (FSCA);
- Codes of good corporate governance, including the King IV Code and the code issued by the Committee of Sponsoring Organisations (COSO);
- ISO 31000:2018, Risk management - Principles and Guidelines; and
- Other relevant legislation.

TOP 14 RISKS

The GEPF has identified the following strategic risks associated with its key activities, operating model and interaction with relevant stakeholders:

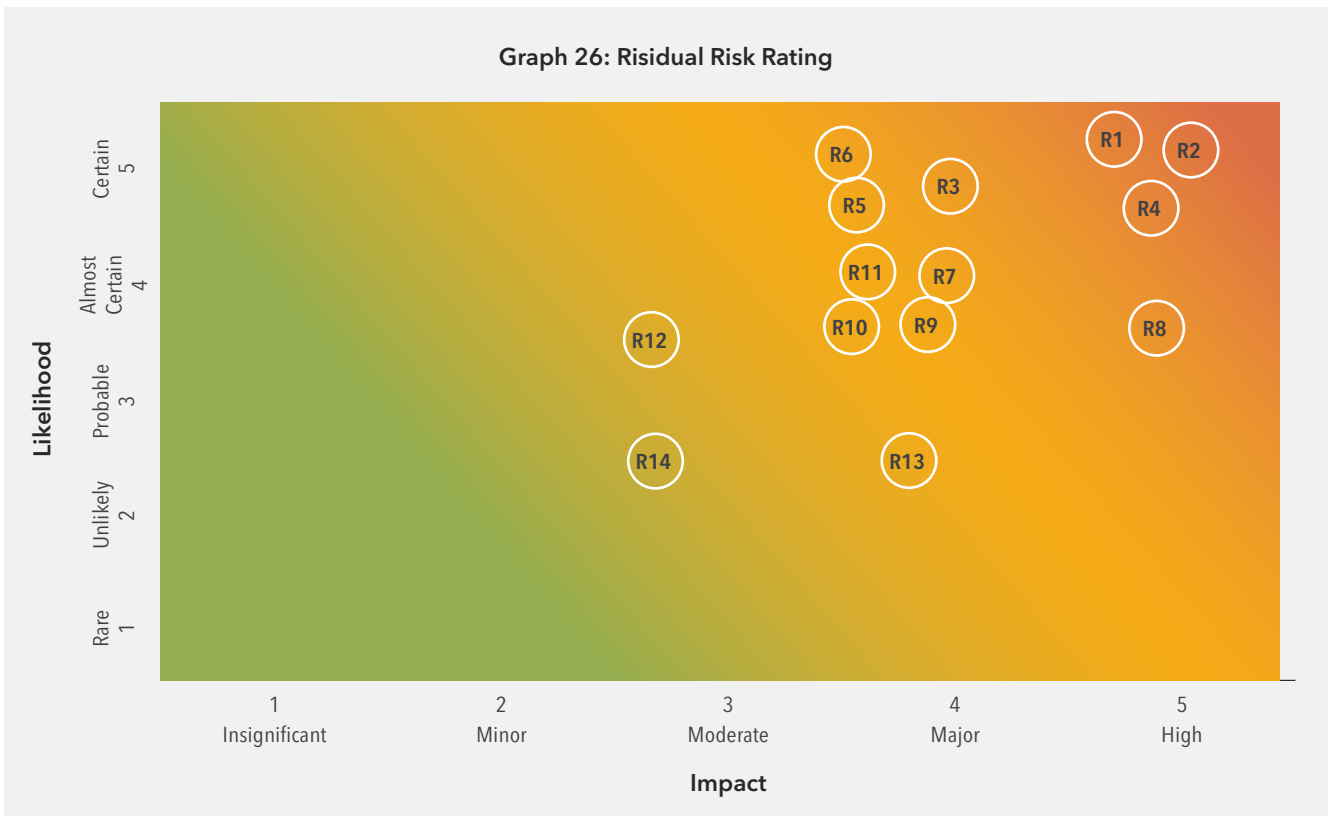
Risk No:	Risk name	Key Mitigation
R1	Inefficient and ineffective administration	<ul style="list-style-type: none"> • Ongoing review of processes and standard operating procedures to align to Capability Model • Service Level Agreement (SLA) with administration and asset management service providers
R2	Lack of ICT governance	<ul style="list-style-type: none"> • Monthly steering committee meetings with GPAA on ICT in line with the SLA • GEPF ICT governance framework
R3	Late payments of benefits	<ul style="list-style-type: none"> • SLA with administration service provider • Policies and procedures in place at the service provider and are aimed at validating claims

Risk No:	Risk name	Key Mitigation
R4	Accuracy of member data	<ul style="list-style-type: none"> • SLA with the administration service provider • Provisions in the GEP Law and scheme rules • Exco-to-exco meetings with service providers
R5	Ineffective operating model	<ul style="list-style-type: none"> • SLA with the administrator and mandates to the asset manager • Strategic engagements
R6	Business disruption and business continuity	<ul style="list-style-type: none"> • SLA with GPAA • Business continuity plan to be revised for GEPF • Business continuity plans in place at significant service providers
R7	Third party risk	<ul style="list-style-type: none"> • SLA with GPAA • Investment Management Agreement (IMA) with PIC • Memorandum of Understanding (MoU) with Guardian's Fund is under discussion and formulation
R8	Cyber security	<ul style="list-style-type: none"> • Firewalls and intrusion detection • Antivirus software • Penetration tests • Email and internet filtering
R9	Investment risk <ul style="list-style-type: none"> • Concentration risk • Investment execution breaches risk appetite • Investment execution inefficient • SAA not aligning to liabilities 	<ul style="list-style-type: none"> • Use of the current fee model with reference to: <ul style="list-style-type: none"> » the Strategic Asset Allocation (SAA) and » mandate compliance • Every investment decision above a specific limit requires approval from the governance structures
R10	Long-term underfunding of the Fund	<ul style="list-style-type: none"> • Sponsor guarantee • Robust management of investments mitigates against contribution mismatch
R11	Regulatory risk	<ul style="list-style-type: none"> • Compliance policy • Compliance risk management plans • Reporting mechanisms to various governance structures
R12	Financial losses due to fraud and corruption	<ul style="list-style-type: none"> • SLA and investment mandate with the service provider • Monitoring and reporting of fraud at GPAA and PIC • Fraud risk management is a standing agenda item at • Exco-to-exco meetings
R13	Inadequate integration of ESG/RI into investments	<ul style="list-style-type: none"> • Use of Responsible Investment Policy • Monitoring through quarterly ESG reporting • Implementation of guidelines set by GEPF for PIC (e.g. proxy voting, key development indicators, etc)
R14	Stakeholder Management Risk <ul style="list-style-type: none"> • Ineffective stakeholder relations • Inadequate communication to members 	<ul style="list-style-type: none"> • Fund's communication and education strategy • Standard operating procedures with the administrator • SLA with the administration service provider • Manual escalation processes channels in use are call centre, regional office and mobile office etc.

The Fund develops appropriate risk mitigation strategies to reduce the inherent likelihood and impact of the identified risk exposures. The GEPF continuously updates the risk profile as the landscape shifts, through risk identification and analysis. In the 2024/2025 period, a further review of the

control environment for these risks will be undertaken to re-assess the adequacy thereof and where feasible, effective controls will be recommended for implementation to bring the residual risk levels within GEPF's tolerance levels.

The heatmap below provides a visual illustration of the residual risk ratings of the top 14 strategic risks:



LOOKING AHEAD

By maintaining a robust Risk Management Framework, the GEPF is better equipped to anticipate potential challenges and respond appropriately, ensuring the long-term sustainability and success of the Fund. The following initiatives will be implemented going forward:

- Enhance and expand collaboration with internal and external stakeholders, to ensure a shared purpose and vision.
- The Fund has contracted the services of an external service provider to conduct fraud risk assessments to identify and evaluate potential fraudulent activities within the GEPF.
- Continued monitoring and assessment of emerging risks by the Risk Management Unit.
- Provide a centralised co-ordination of the GEPF's Business Continuity Management Policy and framework and conduct business continuity impact assessments for all departments.

CONCLUSION

Through our comprehensive risk management framework, the GEPF is well-positioned to navigate uncertainties and achieve sustainable growth. The GEPF will continue to refine the risk management approach to safeguard the interests of the internal and external stakeholders.

The GEPF continued to mitigate its material risk exposures, through continuous risk assessments and monitoring. Where significant events presented an adverse impact to the GEPF risk profile, additional mitigations were implemented.

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF THE GOVERNMENT EMPLOYEES PENSION FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of the Government Employees Pension Fund (the Fund) set out on pages 118 to 160, which comprise the statement of net assets and funds as at 31 March 2024, the statement of changes in net assets and funds and the cash flow statement for the year ended 31 March 2024, and the notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements of the Fund for the year ended 31 March 2024 are prepared, in all material respects, in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the provisions of the Government Employees Pensions Law 21 of 1996, as amended ("GEP Law") and the rules of the Fund.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the

Fund in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in the audit
<p>In accordance with the investment strategy, the Fund holds unlisted investments with a value of R96.1bn (2023: R84.5bn) as detailed in note 3.1. These investments include unlisted equities, loans, properties and derivatives.</p> <p>The Board of Trustees is responsible for the preparation of the financial statements and ultimately responsible for the review of the valuations and assessing the appropriateness of the fair values reported in the financial statements. The Board of Trustees have appointed the Public Investment Corporation (PIC) to manage and administer these investments.</p> <p>The PIC in-turn appoints independent valuation experts to perform valuations on the unlisted investments on an annual basis. As disclosed in notes of the financial statements, the valuations of the Fund's unlisted portfolio are inherently subject to a significant degree of judgement in respect of certain assumptions used</p>	<p>The extent of our audit procedures performed on the testing of the unlisted investments was at a significant risk level due to the high degree of judgement involved in the valuation process.</p> <p>Our focus was based on the methodologies and key assumptions made by the Fund's (PIC appointed) external valuers. Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Assessing the design, implementation and operating effectiveness of relevant controls around the valuation and challenge of the unlisted investments; • Assessing the competence, capabilities and objectivity of the Fund's external valuation experts; • Attending the year-end Valuation Sub-committee's meeting wherein the valuations performed by Fund's valuation specialists were analysed and challenged; • Engaging our internal specialists (Corporate Finance and Financial Services Advisory) and external specialists (Property Valuation Specialists) to assist with:

in the valuations, including judgement in respect of the determination of future cash flows/earnings and appropriate capitalisation discount rates and earnings multiples. The activities of the PIC are therefore significant to the financial information presented in the financial statements.

As disclosed in note 1.3 of the financial statements, the discounted cash flow valuation methodology and price earnings multiples are some of the valuation techniques used in the current year. There is still a high degree of uncertainty and judgement in determining future cash flows and earnings.

Accordingly, the valuation of unlisted investments and the information produced by the PIC on behalf of the Fund for financial reporting purposes, is considered a key audit matter.

In accordance with the rules of the Fund, a benefit becomes due when a member ceases to be a member of the Fund. This results in the Fund having a constructive obligation to pay the benefit. The benefits payable to members are calculated in terms of section 14 of the rules of the Fund and consequently the Fund is required to recognise the liability related to such benefits. The value of the benefit payable is R43.8bn (2023: 56.5bn) as per note 9.

The Board of Trustees has involved actuarial specialists to assist in calculating the accrual for benefits payable as at year-end. The accrual for benefits payable is based on actuarial assumptions and modelling involving complex and significant judgements about future events for which small changes can result in a material impact to the resultant valuation. The large volume of member data held on benefit administration systems ('member data') is a key input to the benefits payable valuation process. Additionally, the valuation process is conditional upon the accuracy and completeness of the data.

The disclosures around the key assumptions and methodologies applied in valuing the accrual for benefits payable are included in note 1.19.

Therefore, the valuation of the accrual for benefits payable is considered a key audit matter.

- » Performing detail testing on a sample of independent valuations performed by the Fund's external valutors. Our audit procedures included assessing the appropriateness of the valuation methodology applied and the reasonability of valuation inputs, and re-performing the valuation; and
- » Evaluating the disclosures of unlisted investments in the financial statements.

We have found the models used for the investment valuations and assumptions applied by management in the valuation models to be within a reasonable range.

Our testing of the accrual for benefits payable focused on the data used by management, the modelling involved, and key actuarial assumptions made by the Board of Trustees. Our audit procedures included:

- Assessing the design and implementation of relevant automated controls around the valuation of the accrual for benefits payable,
- Assessing the competence, capabilities and objectivity of the Board of Trustees appointed actuarial specialists,
- Assessing the integrity of the information used in the calculation of the benefit payable by conducting the following tests:
 - » Operating effectiveness of automated interface control between Persal (employer interface) and CiVPen (mainframe) for completeness and accuracy.
 - » Parameter testing over the data extraction process.
 - » Benefits Payable Provision substantive test of details.
- Evaluating the appropriateness of the disclosure in the financial statements of the accrual for benefits payable; and
- Utilising the expertise of our internal actuarial specialists who performed the following:
 - » Benchmarked the methodologies used in the calculation of the benefit payable provision against similar funds in the industry; and
 - » Verified the reasonability of the methodologies and assumptions applied by the Board of Trustees. .

We have found the accrual for benefits payable to be within a reasonable range.

EMPHASIS OF MATTER – FINANCIAL REPORTING FRAMEWORK

We draw attention to Note 1 which describes the material accounting policies in which the applicable financial reporting framework is identified, based on retirement fund industry best practice principles as well as the provisions of the GEP Law, rules of the Fund and RRR framework. Consequently, the financial statements and related auditors' report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

OTHER INFORMATION

The Board of Trustees is responsible for the other information. The other information comprises the information included in the document titled "GEPF Annual Financial Statements for the year ended 31 March 2024", which includes the Statement of Responsibility of the Board of Trustees, the Finance and Audit Committee Report, the Risk Management Statement, the Report of the Valuator, and the Report of the Board of Trustees which we obtained prior to the date of this report, and the "GEPF 2023/2024 Annual Report" (Sections 1 - 9, and 11). The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF TRUSTEES FOR THE FINANCIAL STATEMENTS

The Board of Trustees is responsible for the preparation of the financial statements in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the provisions of the GEP Law and the rules of the Fund, and for such internal control as the Board of Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Trustees either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- Conclude on the appropriateness of the Board of Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

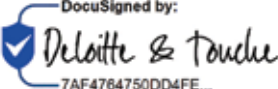
conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Fund's Trustees with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Trustees, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

DocuSigned by:

7AF4764750DD4FE...

Deloitte & Touche
Registered Auditor

Per: Justin Dziruni
Partner

Johannesburg
30 September 2024

5 Magwa Crescent
Waterfall City
Gauteng
2090

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Section 13(2) and 13(4) of the GEP Law

We have read the Annual Report as required by section 13(2) (a) (ii) of the GEP Law and the information furnished in terms of section 9 and 10 of the GEP Law, is presented in accordance with the requirements of the GEP Law.

With reference to Section 13(2) (a) the auditor is required to state whether:

- (iii) the transactions of the Fund that had come to the auditors' notice in the course of his or her examination were executed in accordance with the applicable laws and instructions; and
- (iv) the transactions which had come to his or her attention during auditing were in all material respects in accordance with the mandatory functions of the Fund determined by law or otherwise.

There are no material instances of non-compliance with laws and regulations that came to our attention during the course of our audit of the financial statements.

With reference to section 13(4) of the GEP Law, we are required to draw attention to any matters that are in the public interest. Such matters have been summarised and reported in the Key Audit Matters section above.

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte and Touche and GrowthStone have been the joint auditors of Government Employees Pension Fund for 11 years and 1 year respectively.

Signed by:

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GrowthStone Assurance Incorporated
Registered Auditor

Per: Theodore Josias
Director

Centurion
30 September 2024

134 River Road
Barbeque Downs
Gauteng
1685

REPORT OF THE VALUATOR

For the year ended 31 March 2024

PARTICULARS OF FINANCIAL CONDITION OF THE FUND BASED ON THE ACTUARIAL VALUATION EFFECTIVE 31 MARCH 2021

1. Net assets available for benefits amounted to R2 041 346 million as at 31 March 2021.
2. The actuarial value of the net assets available for benefits, for the purposes of comparison with the actuarial present value of promised retirement and other benefits, amounted to R2 041 346 million as at 31 March 2021.
3. The actuarial present value of promised retirement and other benefits in respect of contributing members amounted to R1 218 049 million as at 31 March 2021.
4. The actuarial present value of promised retirement and other benefits in respect of S-case members and exits in progress amounted to R27 095 million as at 31 March 2021.
5. The actuarial present value of retirement benefits in respect of pensioners and deferred pensioners amounted to R595 257 million as at 31 March 2021.
6. The data and past discriminatory practices reserves were considered as "liabilities" for the purposes of the valuation and were fully funded.
7. The full value of the recommended contingency reserve accounts, including the solvency reserve, amounted to R892 840 million as at 31 March 2021. The affordable level of these contingency reserves amounted to R186 827 million as at 31 March 2021.

In summary, the assets of the Fund therefore exceed the best-estimate liabilities in respect of benefits for members and pensioners, i.e. the Fund is solvent. In addition, the Fund can set up contingency reserves to meet both known and unknown contingencies of R186 827 million. On a conservative basis and if affordable, the Fund would have ideally set up contingency reserves of R892 840 million.

8. Details of the valuation method adopted (including that in respect of contingency reserves) and details of any changes since the previous summary of report:
 - As for the previous valuation, the Projected Unit Method was used to determine past service liabilities and the future service contribution rate.
 - Under the Projected Unit Method, the present value of benefits that have accrued to members

in respect of service prior to the valuation date is compared with the value of the Fund's assets. Allowance is made in the valuation of the accrued benefits for estimated future salary increases, ill-health retirements and deaths.

- A liability of R27 095 million was set aside in respect of S-case members and exits in progress. This liability is in respect of members who have left the Fund and the benefit due to them is yet to be paid and is not yet provided for in the financial statements of the Fund.
 - A reserve of R4 983 million was set aside in respect of previous discriminatory practices. This reserve was obtained from the financial statements, being the accumulated value of one per cent (1%) of the funding level in 1998, less amounts already used to fund discriminatory practices.
 - A reserve of R9 135 million was set aside in respect of errors or omissions in the valuation data. This reserve was set at a level of 0.75% of the contributing member liability.
 - A reserve was held to provide for mortality improvements for all members:
 - » For pensioners, current mortality rates have been set equal to the mortality rates calculated in the experience investigation dated 31 March 2019 with an allowance for mortality improvements determined using the mortality assumption rated down one and a half years.
 - » For active members, current mortality rates have been set equal to the mortality rates calculated in the same experience investigation with an allowance for mortality improvements determined using the mortality assumption rated down two and a half years.
 - The solvency reserve has been set, based on modelling by asset consultants. This model is broadly based on a 90% probability of the fund remaining solvent over the three-year period following the valuation date.
 - A reserve was also determined at the valuation date to fund the increase in the active member and pensioner liabilities and increase in the required contribution rate because of the Trustees seeking to exercise greater discretion in granting pension increases equal to 100% of CPI.
9. When the above contingency reserves (excluding the data and past discriminatory practice reserves) were set

up, it was not the intention of the Trustees to hold such reserves if they will place the Fund into a deficit funding level position. As at 31 March 2021, the Fund could only afford to hold a total of R186 827 million as contingency reserves. On this basis, 20.9% of the desired level of contingency reserves could be held.

10. Details of the actuarial basis adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary of the report.
- Net pre-retirement discount rate: 3.72% per annum (previously 3.44% per annum).
 - Post-retirement net discount rate: 6.42% per annum for actives and current pensioners (previously 5.70% per annum).
 - Post-retirement mortality: Rates based on the experience of GEPP mortality from 1 April 2012 to 31 March 2019. These rates are different from the ones adopted for the 2018 statutory valuation.
 - Salary increases: 10.20% per annum (previously 7.50% per annum). It is assumed that salaries will increase at an average rate of 1% more than the long-term inflation assumption of 9.20% per annum (previously 6.50% per annum). In addition, an allowance is made for merit salary increments.
 - Proportion married: Assumptions have been made regarding the proportions of members who are married at each age. The age difference between

males and females is assumed to be four years, with males older than their female counterparts.

- Expenses: An allowance for future administration expenses of 0.3% of annual pensionable salary was made.

11. Any other particulars deemed necessary by the valuator for the purposes of this summary: None.
12. The Fund does not fall under the ambit of the Pension Funds Act, 1956 since it is governed by its own statute. However, in terms of the Fund's own Funding Level Policy, the Fund was financially sound in that assets were equal to accrued liabilities and contingency reserves (at 20.9% of the desired level) on a best-estimate basis.



Sandile Mbili

Fellow of the Actuarial Society of South Africa
For the purposes of professional regulation, my primary regulator is the Actuarial Society of South Africa
In my capacity as Valuator to the Fund
8th August 2024

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2024

1. DESCRIPTION OF THE FUND

1.1 Type of fund

The GEPF is a defined benefit fund established in terms of the GEP Law, No 21 of 1996, as amended. In terms of section 1 of the Income Tax Act, No 58 of 1962, the GEPF is classified as a pension fund established by law.

1.2 Benefits

Benefits are determined in terms of the rules of the GEP Law and are classified as follows:

- Normal retirement benefits;
- Early retirement benefits;
- Ill health and other retirement (discharge) benefits;
- Late retirement benefits;
- Resignation benefits;
- Death while in service benefits;
- Death after becoming a pensioner benefits;
- Spouses' annuity benefits;
- Children's annuity benefits; and
- Funeral benefits.

All reasonable steps are taken to trace members, whose benefits were not claimed, to effect payment to the correct member or beneficiary.

1.3 Contributions

Members (employees of participating employers) contribute 7.5% of their pensionable emoluments to the GEPF. Employers contribute 13% for civil servants and 16% for service employees, respectively, of a member's pensionable emolument to the GEPF.

1.4 Reserves

In terms of a collective agreement negotiated and agreed to in the Public Service Co-ordinating Bargaining Council (PSCBC) an actuarial reserve equal to 1% of the funding level of the GEPF, based on the result of the actuarial valuation as at 31 March 1998, was set aside to address past discriminatory practices. The GEP Law and Rules thereto were amended to increase the pensionable service for members of former non-statutory forces (NSF), employees that participated in strikes in the former Ciskei, and other employees that were previously discriminated against. The actuarial reserve set aside to address past discriminatory

practices, is allocated to account for the recognition of periods of pensionable service based on agreements concluded in the PSCBC.

In October 2018, a resolution was signed by the PSCBC to implement the 1998 agreement in paying members affected by discriminatory practices and as such an amount of R121 million was utilised during the financial year ended 31 March 2024.

The accounting provision for the reserves set aside to address past discriminatory practices, is summarised as follows (refer to note 7 to the annual financial statements).

Reserve account balance	2024 R'000	2023 R'000
Ciskei strikers	223 984	206 424
General assistants	176 668	162 818
Other past discriminatory practices	4 869 026	4 709 106
Total balance at end of year	5 269 678	5 078 348

1.5 Rule amendments

There were no rule amendments for the period under review.

1.6 Board of Trustees

The Minister of Finance inaugurated the current Board on 04 July 2022 for a period of four years. The Board consists of 16 members, with equal employer and member representation, and each with a substitute. Member representatives include a pensioner and a service representative, as well as their substitutes, who were elected through a postal ballot. Only Trustees participate in Board meetings, while Trustees and substitutes participate in Board Committee meetings.

2. INVESTMENTS

2.1 Management of investments

Primarily the Public Investment Corporation (PIC) manages the assets of the GEPF. In terms of their mandate, the PIC appointed the following external asset managers to manage part of the Fund's portfolio:

- ABRDN Investments Ltd
- Aeon Investment Management (Pty) Ltd
- Afena Capital (Pty) Ltd
- All Weather Capital (Pty) Ltd
- Allianz Global Investors
- Aluwani Capital Partners (Pty) Ltd
- Amundi (UK) Ltd
- Argon Asset Management (Pty) Ltd
- Benguela Global Fund Managers (Pty) Ltd
- Black Rock Advisors (UK) Ltd
- Catalyst Fund Managers (Pty) Ltd
- Cheyne Capital LLP
- Coronation Asset Management (Pty) Ltd
- Differential Capital (Pty) Ltd
- Enko Capital Management LLP
- Excelsia Capital (Pty) Ltd
- Gemcorp Capital LLP
- Goldman Sachs Asset Management International
- H4 Collective Investments (RF) Pty Ltd
- International Bank for Reconstruction and Development
- Lima Mbeu Investment Managers (Pty) Ltd
- Old Mutual (Pty) Ltd
- Ninety-One Asset Management (Pty) Ltd
- JP Morgan Asset Management (UK) Ltd
- M&G Investment Managers (Pty) Ltd
- ManuLife Ltd
- Mazi Capital (Pty) Ltd
- Meago (Pty) Ltd
- Mergence Investment Managers (Pty) Ltd
- Mianzo Asset Management (Pty) Ltd
- Novare Africa Fund PCC
- Oasis Asset Management (Pty) Ltd
- Perpetua Investment Managers (Pty) Ltd
- PIMCO Europe Ltd
- Prowess Investment Managers (Pty) Ltd
- Robeco Institutional Asset Management BV
- Sanlam Investment Management (Pty) Ltd
- Sentio Capital Management (Pty) Ltd
- Umthombo Wealth (Pty) Ltd

The balance of the assets of the GEPF are invested in African Development Partners Funds II and III LP (ADP II and ADP III) which are managed by Development Partners International, Pan-African Infrastructure Development Fund 1 and 2 (PAIDF 1 and PAIDF 2) which are managed by Harith Fund Managers, South Suez Africa Fund II LP (South Suez) which is managed by South Suez Capital Limited, Verod Capital Growth Fund II LP (Verod) which is managed by Verod Capital Partners, Capital Alliance Private Equity IV (Cape IV) which is managed by African Capital Alliance and African Infrastructure Investment Fund 4 (AIIF 4) which is managed by African Infrastructure Investment Managers.

Standard Bank of South Africa Limited performs the custody and investment accounting function on behalf of the Fund.

2.2 Assets investments

Assets are invested in a range of asset classes consisting of:

- equities (shares in listed and unlisted companies);
- fixed interest instruments;
- money market instruments;
- property; and
- other investment instruments.

Guidelines have been set for the various asset classes and funds are invested accordingly to allow for a balanced portfolio. The approved guidelines and actual asset allocation for the financial year under review are as follows:

Asset classes	Guideline (%)	Actual (%)
Cash and money markets	0 - 8	3
Domestic bonds	26 - 36	29
Domestic property	3 - 7	4
Domestic equity	45 - 55	50
Africa (ex SA) equity	0 - 5	3
Foreign bonds	0 - 4	2
Foreign equity	1 - 5	9
Total	100	100

* Note: Breach on foreign equity is due to short-term currency movements combined with the implementation of the revised Strategic Asset Allocation.

2.3 Other investments not in the name of the GEPF

All investments are registered in the name of the GEPF, except for a directly held property, Palm Grove, which is registered in the name of GEPF's wholly owned investment, CBS Property Portfolio (Pty) Ltd.

3. MEMBERSHIP

The GEPF membership as at 31 March 2024 consisted of 1 277 902 (2023: 1 267 307) active members from participating employers, as well as 548 765 (2023: 524 030) pensioners and child pensioners receiving monthly annuity benefits.

4. ACTUARIAL VALUATION

An actuarial valuation of the GEPF is conducted at least once every three years as prescribed in section 17(3) of the GEP Law. The latest actuarial valuation was performed by Alexander Forbes Financial Services (Pty) Ltd and African Origins Actuarial Solutions as at 31 March 2021 based on the funding level policy adopted by the Board in consultation with the Minister of Finance. This funding

level policy provides for evaluation of the liabilities on a long-term best estimate basis and the establishment of a solvency reserve to allow for funding, investment risks and uncertainty relating to future public service remuneration and employment. The required level of solvency was calculated independently by RisCura (Pty) Ltd based on a detailed asset-liability study. In terms of the Fund's own funding level policy, the Fund was considered to be financially sound as at 31 March 2021 in that assets were equal to accrued liabilities and 20.9% of the desired level of solvency and contingency reserves. The next actuarial valuation will be completed as at 31 March 2024.

5. SUBSEQUENT EVENTS

5.1 Funeral benefit amendments

The Board of Trustees resolved and gazetted on the 2nd of May 2024, that with effect from 1 April 2024 the rules of the Fund shall be amended for the reasons set out below, as follows:

The funeral benefits of the Fund have remained unchanged for some time. The Board of Trustees recognises that the current cover may not be appropriate given the current financial environment. The funeral benefit is to be amended from R15 000 to R20 000 for members, pensioners and spouses and from R7 500 to R8 000 for others, so as to provide greater cover to members.

Rule 14.9.1 (ii)(a) to (d) shall be amended to read as follows:

"14.9.1 the funeral benefits payable upon the death on or after 1 April 2024 of such a member or pensioner and/or his or her spouse and/or eligible children and/or stillborn, as defined, are as follows:

- (a) in the case of a member or pensioner, a payment of R20 000;
- (b) in the case of a spouse, a payment of R20 000;
- (c) in the case of an eligible child, a payment of R8 000;
- (d) in the case of a stillborn, a payment of R8 000;"

5.2 Two-pot retirement system

In line with the legislative reforms introduced by the Revenue Laws Amendment Act (2024) and Pension Laws Amendment Act (2024), the GEPF has undertaken significant steps to comply with the new regulatory requirements. The two-pot retirement system, which aims to provide members with both a savings component accessible before retirement and a retirement component preserved for retirement, was introduced with effect from 1 September 2024, with the enabling legislations being passed in June and July 2024.

The GEPF has been actively engaged in aligning its administrative processes, systems and member communications to ensure a smooth transition. This includes system updates to accommodate the new structure, member education efforts and collaboration with key stakeholders. In addition, there has been a requirement to amend the benefit structure and to amend the rules to ensure compliance with the new requirements. While the implementation has progressed, there have been challenges related to the timeframe provided for system development and testing.

The Fund remains committed to meeting the evolving needs of its members while ensuring compliance with the two-pot retirement system's regulatory framework. The potential long-term financial and operational impacts of the two-pot retirement system are being carefully monitored to ensure sustainability and the continued delivery of value to members.

5.3 Land and Development Bank of South Africa

The Land and Development Bank of South Africa (Land Bank) previously advised the equity payment made by the government of South Africa (acting through the Minister of Finance of South Africa) is currently held in the escrow, to be transferred to the Land Bank following fulfillment of certain conditions. The conditions were required to be fulfilled by Land Bank prior to 31 March 2024 (effective date).

On 2 April 2024, the Land Bank issued a letter to its Lenders on the basis of progress made in concluding Land Bank's debt restructuring. The Land Bank agreed with the National Treasury to extend the effective date to 30 June 2024.

The conditions were not fulfilled by the Land Bank on 30 June 2024 due to delays with cross-border payments.

This resulted in the new effective date being 16 September 2024.

5.4 Ayo Technology

In December 2017 the PIC (on behalf of the GEPF) participated in an initial public offering (IPO) through a private placement, in terms of which the PIC subscribed for 29% (99,8 million shares) of the issued shares in Ayo Technology Solutions Limited (Ayo) on the JSE to the value of R 4,3 billion at R 43 per share.

In May 2019 legal proceedings were initiated against Ayo on the basis of possible irregularities such as possible inflation of their share price value and material irregularities. The litigation proceedings led to a share buyback proposal for the shares owned by the GEPF, which resulted in Ayo paying the GEPF (through the PIC) R 619.4 million in March 2023 for the share buyback transaction. The JSE, PIC (on behalf of the GEPF) and Ayo engaged on the transaction as the JSE necessitated that its listing requirements needed to be adhered to for the buyback transaction to be considered as valid. In July 2024, the JSE accepted and approved the Ayo settlement terms are compliant with its regulations and the buyback transaction could then be recognised for financial reporting purposes.

The share buyback resulted in the GEPF disposing 17,2 million of its holding in Ayo Technology at R 36 per share. A loss on disposal of R 120,2 million was accounted for on 01 July 2024.

After the share buyback transaction, the GEPF now holds 82,6 million shares at R 0,5 per share resulting in a holding of R 41,2 million in Ayo.



STATEMENT OF NET ASSETS AND FUNDS

As at 31 March 2024

	Notes	2024 R'000	2023 R'000
ASSETS			
Non-current assets		2 325 702 244	2 287 346 482
Property, plant and equipment	2	2 847	4 143
Investments	3	2 325 699 397	2 287 342 339
Current assets		70 411 982	45 576 691
Accounts receivable	4	12 541 870	10 425 473
Transfers receivable	10.2	-	-
Contributions receivable	5.1	1 147 795	912 657
Cash and cash equivalents	6	56 722 317	34 238 561
Total assets		2 396 114 226	2 332 923 173
FUNDS AND LIABILITIES			
Total funds and reserves		2 343 754 227	2 266 839 800
Accumulated funds		2 338 484 549	2 261 761 452
Reserve accounts	7	5 269 678	5 078 348
Non-current liabilities		1 861 196	2 217 396
Unclaimed benefits	8	1 861 196	2 217 396
Current liabilities		50 498 803	63 865 977
Benefits payable	9	43 831 214	56 532 430
Transfers payable	10.1	1 288	1 215
Accounts payable	11	6 644 764	7 311 884
Provisions	12	21 537	20 448
Total funds and liabilities		2 396 114 226	2 332 923 173

STATEMENT OF CHANGES IN NET ASSETS AND FUNDS

As at 31 March 2024

	Notes	Accumulated funds R'000	Reserve accounts R'000	Total 2024 R'000	Total 2023 R'000
Net income before transfers and benefits		207 305 271	-	207 305 271	164 721 006
Contributions received and accrued	5.2	92 173 561	-	92 173 561	83 132 364
Purchase of periods of service	13	207 263	-	207 263	497 590
Net investment income	14	116 219 455	-	116 219 455	82 193 690
Other income	15	202 238	-	202 238	163 417
<i>Less:</i>					
Administrative expenses	16	(1 497 246)	-	(1 497 246)	(1 266 055)
Transfers and benefits		(130 269 809)	-	(130 269 809)	(133 582 821)
Benefits	9	(133 455 455)	-	(133 455 455)	(130 857 055)
Transfers to other funds	10.1	(11 496)	-	(11 496)	(43)
Transfers from other funds	10.2	32 978	-	32 978	17 650
Interest adjustment/(expense)	17	3 164 164	-	3 164 164	(2 743 373)
Net income after transfers and benefits		77 035 462	-	77 035 462	31 138 185
Funds and reserves					
Balance at beginning of the year		2 261 761 452	5 078 348	2 266 839 800	2 236 120 467
Benefits recognised		-	(121 035)	(121 035)	(418 852)
Transfer of net investment return to reserves	7	(312 365)	312 365	-	-
Balance at the end of the year		2 338 484 549	5 269 678	2 343 754 227	2 266 839 800

CASH FLOW STATEMENT

As at 31 March 2024

	Notes	2024 R'000	2023 R'000
Cash flow from operating activities			
Cash generated from operations	19	(51 510 506)	(56 420 295)
Contributions and other income received		91 938 423	82 968 830
Benefits paid during the year		(141 348 192)	(136 252 492)
Other expenses paid		(2 100 737)	(3 136 633)
Interest received		59 742 959	56 821 389
Interest paid		(1 892 723)	(1 879 317)
Dividends received		53 271 182	56 503 018
Transfers and bought services (paid)/received		77 145	57 456
Divorce benefits paid		22 797	25 953
Net cash inflow from operating activities		59 710 854	55 108 204
Net cash outflow from investing activities		(37 227 098)	(66 572 554)
Net additions to property, plant and equipment		(1 330)	(1 108)
Net additions to investments		(37 225 768)	(66 571 446)
Net increase/(decrease) in cash and cash equivalents		22 483 756	(11 464 350)
Cash and cash equivalents at beginning of the year		34 238 561	45 702 911
Cash and cash equivalents at end of the year	6	56 722 317	34 238 561

NOTES TO THE ANNUAL FINANCIAL STATEMENT

For the year ended 31 March 2024

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and are consistent with those of the previous year, unless otherwise stated.

1.1 Basis of presentation of financial statements

The annual financial statements are prepared in accordance with the GEP Law's requirements. The retirement fund industry best practice principles are applied as the basis, as well as the rules of the Fund. This comprises adherence to Regulatory Reporting Requirements (RRR) for Retirement Funds in South Africa as issued by the Financial Services Conduct Authority (FSCA).

The financial statements are prepared on the historical-cost and going-concern basis, modified by the valuation of financial instruments and investment properties to fair value, and incorporate the following material principal accounting policies, which, unless otherwise indicated, have been consistently applied.

1.2 Property, plant and equipment

Historical cost includes costs that are directly attributable to the acquisition of the asset. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset.

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the historical cost using the straight-line method over the estimated useful life. Residual values and useful lives are assessed annually. Depreciation rates are as follows:

Asset classes	Annual depreciation rate (%)
Computer equipment	25
Computer software	33
Furniture and fittings	15
Office equipment	15
Motor vehicles	20
Leasehold improvements	20

The recorded values of these depreciated assets are periodically compared to the anticipated recoverable amounts if the assets were to be sold. Where an asset's recorded value has declined below the recoverable amount and the decline is expected to be of a permanent nature, the impairment loss is recognised as an expense.

1.3 Investments

Investments include all financial assets, including derivative instruments and investment properties.

1.3.1 Classification

1.3.1.1 The GEPF classifies its financial assets into the following categories:

- At fair value through the statement of changes in net assets and funds.
- Loans and receivables.

1.3.1.1.1 Financial assets classified at fair value through the statement of changes in net assets and funds

The classification depends on the purpose for which the financial assets were acquired and is determined by management at the initial recognition of the financial assets.

Financial assets classified at fair value through the statement of changes in net assets and funds comprise equities, bills and bonds, debentures, investment properties, unlisted preference shares, collective investment schemes and special investment products.

1.3.1.1.2 Loans and receivables

Financial assets classified as loans comprise direct loans to companies.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those intended to be sold in the short-term, or those that are designated at fair value through the statement of changes in assets and funds.

1.3.1.2 Financial liabilities

Financial liabilities are classified at amortised cost. Financial liabilities that are not classified at fair value through the statement of changes in net assets and funds comprise accounts payable.

1.3.2 Recognition

The GEPF recognises financial assets and financial liabilities on the date when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value as at trade date, including, for instruments not at fair value, through the statement of changes in assets and funds, any directly attributable transaction costs.

Financial instruments carried at fair value through the statement of changes in net assets and funds are initially recognised at fair value, and transaction costs are expensed in the statement of changes in net assets and funds.

Financial instruments classified as loans and receivables are recognised as assets when the entity becomes a party to the contract and as a consequence has a legal right to receive cash.

1.3.3 Measurement

Subsequent to initial recognition, all financial assets classified at fair value through the statement of changes in net assets and funds are measured at fair value with changes in their fair value recognised in the statement of changes in net assets and funds.

1.3.3.1 Equities

Equity instruments consist of equities with a primary listing on the Johannesburg Stock Exchange Limited (JSE), equities with a secondary listing on the JSE, foreign-listed equities and unlisted equities.

Equity instruments designated at fair value through the statement of changes in net assets and funds are initially recognised at fair value on trade date.

Listed equities

Listed equity instruments are subsequently measured at fair value and the fair value adjustments are recognised in the statement of net changes in assets and funds.

The fair value of listed equity instruments with standard terms and conditions, traded on active liquid markets, is based on regulated exchange quoted closing prices at the

close of business on the last trading day on or before the statement of net assets and funds date.

Unlisted equities

Unlisted equity instruments are subsequently measured at fair value, using the pricing models determined by the GEPF, or by applying valuation techniques such as the discounted cash flow model, net asset value, residual method at arm's-length market transactions in respect of the unlisted equities, net asset values and price earnings multiples.

For recently made investments, the price of recent acquisition is generally used for a limited period to equate fair value. At reporting date during the limited period, an assessment is made as to whether any subsequent events have occurred that affects the fair value.

When discounted cash flow techniques are used, discounted cash flows are based on management's best estimates, the discount rates used are market rates at the statement of net assets and funds date applicable for an instrument with similar terms and conditions.

Where other methods are used, inputs are based on the market data at the date of the statement of net assets and funds.

1.3.3.2 Preference shares

The fair value of preference shares classified as fair value through the statement of changes in net assets and funds is measured as indicated below:

Listed preference shares

The fair value of preference shares traded on active liquid markets is based on regulated exchange quoted closing prices at the close of business on the last trading day on or before the statement of net assets and funds date.

Unlisted preference shares

The fair value of unlisted preference shares is determined by applying appropriate valuation techniques such as the discounted cash flow model, recent arm's-length market transactions in respect of preference shares, net asset values and price earnings multiples.

The market yield is determined by using the appropriate yields of existing listed preference shares that best fit the profile of the instruments being measured, and a discounted cash flow model is then applied using the determined yield, in order to calculate the fair value.

1.3.3.3 Debentures

Debentures comprise unlisted debentures.

Debentures are financial assets with fixed or determinable payment and fixed maturity date. The fair value is estimated using the pricing models or by applying appropriate valuation techniques such as discounted cash flow analysis or recent arm's-length market transactions in respect of unlisted debentures.

1.3.3.4 Bills and bonds

Bills and bonds comprise investments in government, national or provincial administration, local authorities, participating employers, subsidiaries or holding companies and corporate bonds.

Listed bonds

The fair value of listed bonds traded on active liquid markets is based on regulated exchange quoted closing prices at close of business on the last trading day on or before the statement of net assets and funds date.

Unlisted bills

The market yield is determined by using the appropriate yields of existing listed bills that best fit the profile of the instruments being measured, and based on the terms to maturity of the instrument, adjusted for credit risk, where appropriate, a discounted cash flow model is then applied using the determined yield, in order to calculate the fair value.

1.3.3.5 Investment properties

Properties held for a long-term rental yield or for capital appreciation and not occupied by the Fund are classified as investment property. Investment properties comprise investment in commercial properties, residential properties, industrial properties and hospitals. Investment properties are carried at fair value.

Investment properties reflected at fair value are based on open market fair values at the statement of net assets and funds date. If the open market fair values cannot be reliably determined, alternative valuation methods, such as discounted cash flow projections or recent prices on active markets for transactions of a similar nature are used.

The fair values are the estimated amounts for which a property could be exchanged for on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

The open market fair value is determined once every three years by independent professional valuers. The

same independent professional valuers perform interim desktop valuations annually. Changes in fair value are recorded in the statement of net assets and funds.

1.3.3.6 Collective investment schemes

Investments in collective investment schemes are initially recognised at fair value, net of transaction costs that are directly attributable to the investment.

These investments are subsequently measured at fair value, which are the quoted unit values for listed schemes. Unlisted schemes' fair values are derived from the investment scheme administrator with reference to the rules of each particular collective investment scheme, multiplied by the number of units held.

1.3.3.7 Special investment products

Special investment products are valued at gross total fair value of all underlying instruments, included in the structured products and/or arrangements.

Where there are instruments within the structured products, which require a different treatment, these are measured separately in accordance with the measurement criteria set out in a class they belong to.

1.3.3.8 Direct loans

Direct loans are measured at amortised cost using the effective interest rate method, less impairment losses, if any.

1.3.3.9 Money market instruments

Money market instruments are measured at amortised cost using the effective interest rate method.

1.3.4 Derecognition

The GEPF derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or when it transfers the financial asset.

The GEPF uses the weighted-average method to determine realised gains and losses on derecognition.

1.3.5 Impairments

1.3.5.1 Financial assets carried at amortised cost

The Fund assesses at each statement of net assets and funds date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective

evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and that a loss event has an impact on the estimated future cash flow of the financial asset or a group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or a group of financial assets is impaired includes observable data that come to the attention of the Fund about the following:

- Significant financial difficulty experienced by the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- A likelihood that the issuer or the debtors will enter into a bankruptcy or other financial reorganisation;
- The disappearance of an active market for a particular financial asset as a result of financial difficulties; or
- Observable data indicating a measurable decrease on the estimated future cash flows from a group of financial assets since the initial recognition, though the decrease cannot be identified with the individual financial assets in a group, including:
 - » adverse changes on the payment status of the issuers or debtors in the group; or
 - » national or local economic conditions that correlate with defaults in the assets in a group.

The Fund assesses whether the objective evidence of impairment exists individually for financial assets that are significant first, and, if no evidence of impairment exists for individually assessed assets, a group of financial assets with similar credit risk characteristics are collectively assessed for impairment (refer to note 15 for additional information).

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of changes in net assets and funds. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The Fund may measure the impairment loss on the basis of the instrument's fair value using an observable market price.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics relevant to the estimation of future cash flows for groups of such assets, by being indicative of the issuer's ability to pay all amounts due under the contract terms of the debt instrument being evaluated.

If, in subsequent periods, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed in the statement of changes in net assets and funds.

1.3.5.2 Impairment of other non-financial assets

Assets that have an indefinite life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances that the carrying amount may not be recoverable occur.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair-value-less-costs to sell and value-in-use.

For purposes of impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

1.3.5.3 Impairment of loans and receivables

A provision for impairment of loans and receivables is established when there is objective evidence that the Fund will not be able to collect all amounts due, according to the original terms.

1.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash deposited with financial institutions and other short-term liquid investments with original maturities of three months or less. Cash and cash deposits are measured at fair value.

1.5 Accounts receivable

Accounts receivable are measured at fair value at initial recognition if normal credit terms are exceeded, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of changes in net assets and funds when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated

future cash flows discounted at the effective interest rate computed at initial recognition.

Purchased service

Purchased service receivables are recognised upon acceptance by the member of the quote issued by the GEPF for the recognition of the purchase of a period as pensionable service. No provision is made for potential doubtful purchase of service debtors, as only the period paid for vests in favour of the member.

1.6 Unclaimed benefits

Unclaimed benefits are not currently written back to income as per the Prescription Act but will remain in the Fund as unclaimed until the member has been traced. Legitimate claims received subsequent to write-offs are paid as the records are maintained.

1.7 Accounts payable

Accounts payable are measured at fair value at initial recognition if normal credit terms are exceeded, and are subsequently measured at amortised cost using the effective interest rate method.

1.8 Provisions

Provisions are recognised when the GEPF has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the effect of discounting to present value is material, provisions are adjusted to reflect the time value of money.

1.9 Contributions

Contributions are accounted for on the accrual basis except for additional voluntary contributions, which are recorded in the year in which they are received.

1.10 Purchase of service

Income from purchase of service is accounted for when it has been approved and processed.

1.11 Dividend, interest, rentals and gains and losses on subsequent measurement

1.11.1 Dividend income

Dividend income is recognised in the statement of changes in net assets and funds, when the right to receive payment is established, which is the last date to trade for equity securities.

1.11.2 Interest income

Interest income is recognised in the statement of changes in net assets and funds as it accrues, using the effective interest rate of the instrument calculated at the acquisition or origination date. Interest income includes the amortisation of any discount or premium or any other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

1.11.3 Rental income

Rental income from investment properties is recognised in the statement of changes in net assets and funds as it accrues on a straight-line basis over the period of lease agreements, unless another systematic basis is more representative of the time pattern in which a use benefit derived from the leased assets is diminished.

Property expenses are recognised in the statement of changes in net assets and funds as the services are rendered.

1.11.4 Collective investment schemes distributions

Distributions from collective investment schemes are recognised when the right to receive payment is established.

1.11.5 Gains and losses on subsequent measurement to fair value

Gains and losses on subsequent measurement to fair value of investments and of all other financial instruments are recognised as net investment (loss)/income during the period in which the change arises.

1.12 Transfers to and from the GEPF

Transfers to/(from) the GEPF are recognised on the earlier of receipt/(payment) of the actual transfer value or the written notice of transfer (recognition of transfer).

1.13 Interest payable to members exited from the GEPF

Interest payable to members in respect of the late payment of benefits is accounted for on the accrual basis on any part of a member's benefit not paid within 60 days from the last day of service.

1.14 Interest payable to dormant members

In terms of the GEPF rules, interest is accrued to a dormant member's benefit until the effective date on which such benefit becomes payable.

1.15 Foreign exchange gains or losses

Foreign monetary assets and liabilities are translated into South African Rand at rates ruling at year-end. Unrealised gains and losses on foreign monetary assets and liabilities are recognised in the statement of changes in net assets and funds in the period in which they occur.

1.16 Operating leases

Operating leases include rental on properties and office equipment. Rental expenses are recognised on a straight-line basis over the lease term.

1.17 Interest on late payments of contributions and/or loans and receivables

Interest on late payments of contributions, surplus improperly utilised and/or loans and receivables is accounted for in the statement of changes in net assets and funds using the effective interest rate method.

1.18 Expenses incurred in managing investments

Expenses in respect of management of investments are recognised as the services are rendered.

1.19 Judgements and estimates

Critical judgements in applying the entity's accounting policies

In the process of applying the GEPF's accounting policies, the Board has made the following judgements relating to amounts recognised in the financial statements (apart from those involving estimations, which are dealt with separately below).

- Residual values and useful lives
Residual values and useful lives of property, plant and equipment are assessed annually. Property, plant and equipment is assessed for impairment annually, or more frequently when there is an indication that an asset may be impaired and the related impairment losses recognised in the statement of changes in net assets and funds in the period in which the impairment occurred.

- Provision for impairment of receivables
The provision for impairment of receivables is raised on all receivable amounts aged 730 days and older, amounts due from individuals who have attained the age of 70 years and older, as well as all fraud case receivables.
- Performance bonus provision
The provision accounts for performance bonuses payable, based on the outcome of the performance evaluation of employees and the relevant approval.
- Fair value estimation
The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques.

The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of net assets and funds date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discount cash flows, are used to determine fair value for the remaining instruments.

- Key assumptions of estimations with uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of net assets and funds date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are the following:
 - » Accrual for benefits payable
The accrual for benefits payable is based on a calculation performed by the GEPF's actuaries and contains actuarial assumptions and the key estimates. These estimates pertain to member profiles, amongst others. The actuarial assumptions applied are in line with those applied for statutory valuation purposes.
 - » Accruals and contingent liabilities for legal costs
Liabilities may exist for lawsuits by and against the GEPF. The amount accrued for/included in contingent liabilities, include the GEPF's independent attorneys' best estimates of the probable/possible legal liabilities which the GEPF may incur.
 - » Reserve accounts
A reserve was set aside in respect of errors or omissions in the valuation data. This reserve was set at a level of 0.75% of the contributing member liability.

- » Past discriminatory practices
A reserve was set aside in respect of previously discriminatory practices. This reserve was obtained from the financial statements, being the accumulated value of one per cent (1%) of the funding levels in 1998, less amounts already utilised to fund discriminatory practices.
- » Investments
The net present value of certain unlisted investments has been calculated using estimated cash flows at discounted rates.

Further information about the key assumptions concerning the future and other key sources of estimation uncertainties are set out in the relevant notes to the financial statements.

1.20 Accounting policies, changes in accounting estimates and errors

Retirement funds apply adjustments arising from changes in accounting policies and errors prospectively; the adjustment relating to changes in accounting policies and errors is therefore recognised in the current and future periods affected by the change.

1.21 Reserves

Reserves accounts comprise particular amounts of designated income and expenses and are recognised in the period in which such income and expenses accrue to the Fund.

1.22 Benefits

Benefits expenses are recognised through the statement of changes in net assets and funds on an accrual basis.

Liability is raised for all benefits accruing at the end of the financial year, which have not been paid through the statement of net assets and funds.

1.23 Administration expenses and other expenses

Administration expenses incurred are recognised through the statement of changes in net assets and funds on an accrual basis.

1.24 Contingent assets and liabilities

Contingent assets are disclosed when there is a possible asset, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the GEPF.

Contingent liabilities are disclosed when there is a possible obligation that arises from the past event and whose

existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the GEPF, or it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

1.25 Related parties

In considering each possible related-party relationship, attention is directed to the substance of the relationship and not merely the legal form.

If there have been transactions between related parties, the Fund will disclose the nature of the related-party relationship, as well as the following information for each related-party relationship:

- The name of the government department and the nature of its relationship with the Fund;
- The nature and amount of each individually significant transaction; and
- For other transactions that are collectively, but not individually significant, a qualitative or quantitative indication of their extent.

1.26 Financial liabilities

1.26.1 Classification

Financial liabilities are classified at amortised cost. Financial liabilities that are not classified at fair value through the statement of changes in net assets and funds comprise accounts payable.

1.26.2 Recognition

The GEPF recognises financial liabilities on the date when the entity becomes a party to the contractual provisions of the instrument.

1.26.3 Measurement

Financial liabilities are measured at amortised cost using the effective interest rate method.

1.26.4 Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

2. PROPERTY, PLANT AND EQUIPMENT

2.1 Current year, 2024

2024	Computer equipment R'000	Computer software R'000	Furniture and fittings R'000	Office equipment R'000	Motor vehicles R'000	Leasehold improvements R'000	Total R'000
Gross carrying amount	5 814	3	4 051	3 323	656	10 250	24 097
At beginning of the year	4 725	3	4 051	3 082	656	10 250	22 767
Additions	1 089	-	-	241	-	-	1 330
Disposals	-	-	-	-	-	-	-
Accumulated depreciation and impairments	(4 090)	(3)	(3 653)	(2 657)	(656)	(10 191)	(21 250)
At beginning of the year	(3 334)	(3)	(3 356)	(2 369)	(656)	(8 906)	(18 624)
Depreciation	(756)	-	(297)	(288)	-	(1 285)	(2 626)
Accumulated depreciation on disposals	-	-	-	-	-	-	-
Net carrying amount at the end of the year	1 724	-	398	666	-	59	2 847

2.2 Prior year, 2023

2023	Computer equipment R'000	Computer software R'000	Furniture and fittings R'000	Office equipment R'000	Motor vehicles R'000	Leasehold improvements R'000	Total R'000
Gross carrying amount	4 725	3	4 051	3 082	656	10 250	22 767
At beginning of the year	3 875	3	3 981	2 894	656	10 250	21 659
Additions	850	-	70	188	-	-	1 108
Disposals	-	-	-	-	-	-	-
Accumulated depreciation and impairments	(3 334)	(3)	(3 356)	(2 369)	(656)	(8 906)	(18 624)
At beginning of the year	(2 685)	(3)	(3 061)	(2 097)	(656)	(6 854)	(15 356)
Depreciation	(649)	-	(295)	(272)	-	(2 052)	(3 268)
Accumulated depreciation on disposals	-	-	-	-	-	-	-
Net carrying amount at the end of the year	1 391	-	695	713	-	1 344	4 143

3. INVESTMENTS

3.1 Investment summary

	Notes	Fair value 2024 R'000	Amortised cost 2024 R'000	Total 2024 R'000	Total 2023 R'000
Money market instruments*	3.1.1	-	32 296 725	32 296 725	17 711 167
Direct loans*	3.1.2	-	40 865 081	40 865 081	42 854 553
Bills and bonds**	3.1.3	729 801 487	-	729 801 487	730 186 525
Local		698 662 950	-	698 662 950	701 735 911
Foreign		31 138 537	-	31 138 537	28 450 614
Investment properties**	3.1.4	16 180 510	-	16 180 510	16 910 137
Equities**	3.1.5	1 245 882 704	-	1 245 882 704	1 292 107 390
Listed equities		1 149 800 134	-	1 149 800 134	1 207 626 316
Primary listings		846 465 459	-	846 465 459	878 869 753
Secondary listings		303 334 675	-	303 334 675	328 756 563
Unlisted equities		96 082 570	-	96 082 570	84 481 074
Local equities		67 448 142	-	67 448 142	55 273 522
Foreign equities		28 634 428	-	28 634 428	29 207 552
Preference shares**	3.1.6	120	-	120	120
Collective investment schemes**	3.1.7	260 672 770	-	260 672 770	187 572 447
Local instruments		1 070 798	-	1 070 798	1 086 274
Foreign instruments		259 601 972	-	259 601 972	186 486 173
		2 252 537 591	73 161 806	2 325 699 397	2 287 342 339

* Classified as loans and receivables.

** Classified as fair value through statement of changes in net assets and funds.

Explanatory notes:

- Included in the unlisted foreign equities above are internally managed investments by the GEPP to the value of R11.8 billion (2023: R12.4 billion). These investments include ADP II, ADP III, PAIDF, South Suez, Verod, Cape IV and AIIF 4.
- Money market instruments with original maturities of three months or less are classified as cash and cash equivalents.
- The details of the top ten investments per investment category have been provided in the details schedules below and the balance is included in 'other', where practicable. Investments which meet the top ten criteria in one year and do not meet the criteria in another year, will be disclosed as zero and included in 'other' in the year in which they do not meet the criteria. Details of the top ten investments are disclosed per entity level not per instrument level.

3.1.1 Money market instruments

Notes	Amortised cost 2024 R'000	Amortised cost 2023 R'000
Certificate of deposits	686 881	2 417 460
Development Bank of SA Ltd	416 394	2 184 030
Standard Bank Group Ltd	126 800	10 398
ABSA Group Ltd	76 902	6 124
Nedbank Ltd	31 265	2 092
First Rand	21 661	185 011
Investec Bank Ltd	13 859	29 805
Fixed deposits	29 977 081	13 051 234
Nedbank Ltd	6 725 577	2 307 875
Standard Bank Group Ltd	6 486 553	3 026 046
ABSA Group Ltd	6 206 440	2 518 799
FirstRand Ltd	5 397 405	2 913 434
Investec Bank Ltd	5 161 106	2 285 080
Promissory notes	1 632 763	2 242 473
Land and Agricultural Development Bank of SA*	1 632 763	2 242 473
Total money market instruments	32 296 725	17 711 167

* The promissory notes issued by the Land and Agricultural Bank of SA were in default as at 31 March 2021 and were impaired to R461 million. As at 31 March 2021, the amortised cost before impairment of R3.6 billion was recognised, as these instruments were illiquid and there were uncertainties as to their recoverability. During the March 2022 financial year-end, an amount of R766 million had been repaid. Recoverable amounts in the March 2022 were higher than the prior year given that the Land Bank had made two additional capital reduction payments (R683.97 million in total) to GEPF since the prior year calculation above (10% in October 2021 and 19.83% in May 2022). In addition, in the March 2022 financial year, based on the latest assessment performed by the Land Bank, management had confirmed that over the period of LS4 (i.e. five to seven years), the Land Bank expected to reduce the capital portion of the debt outstanding by R11.5 billion across the various debt categories. Any balance remaining thereafter will then be converted into a single amortising note. The March 2022 valuation scenarios were therefore premised on various assumptions around the recovery of the R11.5 billion and recovery of the amortising note. The resulting recoverable amounts in the March 2022 year on the various scenarios exceeded the R5 billion recoverable amount that the impairment calculations were premised on in March 2021, leading to impairment reversals in the March 2022 year. During the March 2023 financial year-end, the Land Bank repaid R647.4 million. The balance at 31 March 2023 was R2.2 billion. During the March 2024 financial year-end, the Land Bank repaid R653.8 million. The balance at 31 March 2024 is R1.6 billion.

3.1.2 Direct loans

	Secured by	Amortised cost 2024 R'000	Amortised cost 2023 R'000
SAHL Investments	Shareholder guarantees, cession and pledges of rights in each loan, loan agreement, guarantee trust guarantee, insurance contract, insurance proceeds and other related security in respect of the portfolio of loans owned by SAHL from time to time	8 000 528	8 387 518
Econet New ARX Ltd	The PIC and external counsel are awaiting approval for the transfer of collateral shares in the name of GEPPF. Once approval is received, the loan will be replaced by equity	7 976 943	7 168 515
Industrial Development Corporation SOC Limited	Not secured*	5 021 979	5 033 316
Kilimanjaro Sakhumnotho Consortium (Pty) Ltd	First ranking pledge and cession in security of pledged shares, pledged share distributions and disposal proceeds, and pledge (and not an out and out cession and transfer) of the ceded rights and accordingly, cedentes shall be and remain the owner of such rights until the cessionary exercises its rights, guarantee from each of the obligors	3 113 616	2 914 301
V&A Waterfront Holdings (Pty) Ltd	Not secured	2 927 010	2 926 884
Kuseni Group 2 (RF) (Pty) Ltd	Cession and pledge of shares, shareholders' guarantee and cession of bank accounts	2 092 904	1 678 790
Karoshhoek Solar One (RF) (Pty) Ltd	Cession and pledge, guarantee	858 874	842 067
EM Africa Properties (Pty) Ltd***	Cession and pledge of shares in Lisaline or any other investee the borrower may hold from time to time	781 370	-
Kathu Power (Pty) Ltd***	Not secured	756 272	-
Levoca 805 (RF) (Pty) Ltd****	Cession and pledge by Levoca 805 of its shares in MFN and loan claims. Subordination of all shareholder loans cession of Levoca 805 bank accounts and any receivables, including distributions received from MFN	725 817	-
Honsha Properties (Pty) Ltd***	Pledge and cession of shares by HEA Trading 1. Pledge cession of shares from Honsha Properties Proprietary Limited Security on personal assets (properties) Personal surety (limited guarantee)	-	1 531 983
Firefly Investments 326 (RF) (Pty) Ltd**	Shortfall guarantees from Bayport Financial Services (BFS) and Bayport Management Ltd (BML), cession <i>in securitatum debiti</i> of all positive bank accounts, pledge and cession of shares in BML, BFS and Firefly Investments 326	-	1 483 229

	Secured by	Amortised cost 2024 R'000	Amortised cost 2023 R'000
Tanga Cement Company Ltd**	The senior loan is secured by first ranking specific charge and/or notarial bond over all existing and future plant, machinery and assets, continuing covering mortgage bond over land and fixed property and cession and/or assignment of all receivables, insurance and material project agreements. Pledge and cession of all mining licences and/or permits	-	1 345 798
Other		8 609 768	9 542 152
Total loans		40 865 081	42 854 553

* This loan consists of uncertified notes which are held by the Central Securities Depository.

** These loans have been settled during the year under review.

*** These loans did not meet the top ten criteria in the current/previous year. Refer to note 3.1 for explanatory notes.

**** These loans were acquired during the year under review.

The independent valuation of direct loans was performed by professional valuers from BDO, Sizwe Ntsaluba Gobodo/Grant Thornton, Ernst & Young, Knight Frank, PricewaterhouseCoopers, RisCura, and Theza Capital. All these professional valuers have experience in valuing financial instruments of a similar nature.

3.1.3 Bills and bonds

	Issuer rating long-term	Fair value 2024 R'000	Fair value 2023 R'000
Bills		1 935 887	-
Republic of SA ²	zaAAA	1 935 887	-
Commercial paper		375 626	362 180
The Thekwini Fund Ltd	zaAAA	375 626	268 379
Transnet SOC Ltd ¹		-	89 553
Emira Property Fund Ltd ¹		-	4 248
Government bonds		556 324 509	557 233 595
Republic of SA	zaAAA	556 324 509	556 836 132
Republic of Angola ¹		-	397 463
Corporate bonds		29 706 942	22 291 582
FirstRand Ltd	zaAA	8 177 727	6 540 974
Standard Bank Group Ltd	zaAA+	6 721 021	6 816 738
ABSA Group Ltd	zaAA	5 029 345	2 291 102
Nedbank Ltd	zaAA	1 673 853	1 911 629
Sasol Financing Ltd	zaAAA	1 091 564	557 023
Toyota Financial Services SA (Pty) Ltd	zaAAA	887 978	651 341

3.1.3 Bills and bonds (continued)

	Issuer rating long-term	Fair value 2024 R'000	Fair value 2023 R'000
The Thekwini Fund Ltd	zaAAA	801 571	504 201
The New Development Bank ²	zaAAA	717 316	-
Sanlam Ltd ²	zaAAA	478 763	-
Mercedes-Benz SA Ltd ³	zaAAA	470 368	-
MTN Group Ltd ⁴		-	389 773
Investec Group Ltd ⁴		-	357 026
Liberty Group Ltd ⁴		-	301 517
Other		3 657 436	1 970 258
Parastatal bonds		110 319 986	121 848 554
Eskom Holdings Ltd	zaBBB	84 191 003	81 973 821
Transnet SOC Ltd	zaAA	11 578 928	16 591 872
South African National Road Agency Ltd	zaA+	10 983 706	17 979 457
Development Bank of SA Ltd	zaAA-	1 395 928	2 332 074
City of Cape Town	zaAA-	595 976	723 526
Industrial Development Corporation SOC Ltd	zaAA-	457 776	500 096
ACSA	zaAA+	385 058	549 557
City of Johannesburg	zaA+	220 675	384 784
Telkom SOC Ltd	zaAA	213 129	213 429
Ekurhuleni Metropolitan Municipality ³	zaBBB	189 406	-
Rand Water Board ¹		-	262 662
Other		108 401	337 276
Foreign bonds		31 138 537	28 450 614
Black Rock Advisors (UK)	*	14 008 861	13 229 438
JP Morgan Asset Management (UK) Ltd	*	7 123 341	6 008 811
International Bank for Reconstruction and Development	*	6 665 595	6 393 419
Goldman Sachs Asset Management International	*	3 340 740	2 818 946
Total bills and bonds		729 801 487	730 186 525

3.1.3 Bills and bonds (continued)

The National Rating Scale is applicable, unless otherwise mentioned. The rating categories are as follows:

National long-term rating definition	National scale rating symbol
Highest grade quality	AAA
Very high credit quality	AA+, AA, AA-
High credit quality	A+, A, A-
Adequate protection factors	BBB+, BBB, BBB-
Capacity for timely repayment	BB+, BB, BB-
Possessing risk that obligations will not be met when due	B+, B, B-
Vulnerable to non-payment of obligations	CCC+, CCC, CCC-
Highly vulnerable to non-payment of obligations	CC+, CC, CC-
Highly vulnerable to non-payment of obligations	C+, C, C-
Defaulted	D
No rating	NR
Rating withdrawn by Moody's rating agency	WR

All South African ratings are the South African National Rating Scale Long-Term (LT), measured on the Standard & Poor's (S&P) rating scale. Where no S&P rating exists, other rating agency ratings obtained have been mapped onto the S&P scale equivalent.

* Foreign bonds are held in bond portfolios. These bond portfolios invest in a range of bonds with different credit ratings.

1. These instruments matured during the year under review.
2. These instruments were acquired during the year under review.
3. These instruments did not meet the top ten criteria in the previous year. Refer to note 3.1 for explanatory notes.
4. These instruments do not meet the top ten criteria in the current year. Refer to note 3.1 for explanatory notes.

Included in the bond value on the previous page are the following scrip lending transactions:

Open position	Bonds on lent	Security in place	Number on loan 2024 R'000	Fair value 2024 R'000	Name of counterparty	Scrip custodian
31 March 2024	R2030	*	1 547 679	1 400 157	Standard Bank	Standard Bank
31 March 2024	R2048	*	2 000 000	1 402 992	Standard Bank	Standard Bank
31 March 2024	R209	*	1 951 237	1 218 757	Standard Bank	Standard Bank
31 March 2024	R213	*	1 807 800	1 473 697	Standard Bank	Standard Bank
31 March 2024	R214	*	1 996 143	1 152 929	Standard Bank	Standard Bank
Total			9 302 859	6 648 532		

* Collateral is not done on an individual bond level basis. The total out-on-loan position is collateralised across all securities. The security in place for the bond collateral is 110% of the daily market value of the Bonds Gross Market value.

3.1.4 Investment properties

	Fair value 2024 R'000	Fair value 2023 R'000
Residential properties	215 800	207 250
Industrial properties	1 384 300	1 422 786
Office properties	6 931 345	7 377 100
Retail properties	6 485 099	6 852 654
Specialised properties	1 179 773	1 086 864
Vacant land	647 500	575 870
Lease income accrual	(663 307)	(612 387)
Total properties*	16 180 510	16 910 137

Name of Property	Address	Valuation method	Date of last valuation	Pledged as guarantee	2024 R'000	2023 R'000
Deloitte Building South Africa	Erf 4542 Jukskei view Extension 89 Township	DCF	2024/03/31	No	1 788 200	1 700 000
Centre Square Development	Corner of Dallas Road and Aramist Road, Menlyn Maine, Tshwane	DCF	2024/03/31	No	1 254 400	1 448 000
Ocean's Umhlanga Retail	Portion 15 of Erf 379, Umhlanga Rocks, KwaZulu- Natal	Residual method	2024/03/31	No	823 000	660 000
Vangate Shopping Centre	Vanguard Drive, Athlone, Cape Town	DCF	2024/03/31	No	661 000	774 800
Tshwane Regional Mall	Denneboom Station, Mamelodi, Tshwane	DCF	2024/03/31	No	619 400	743 300
Business Connexion	1037 Lenchen Avenue, Zwartkop, Centurion, Tshwane	DCF	2024/03/31	No	582 240	490 200
Tlhabane Shopping Centre	Proposed Tlhabane Mixed Use Development, Tlhabane Unit 1, Rustenburg, North West	DCF	2024/03/31	No	534 000	429 700
Central City Shopping Centre	Stand 426, Unit E, Central Road, Mabopane, Tshwane	DCF	2024/03/31	No	500 800	577 600
Riverwalk Office Park	41 Matroosberg Street, Ashlea Gardens, Tshwane	DCF	2024/03/31	No	478 200	415 700
Garankuwa Shopping Centre	Lucas Mangope Road, Garankuwa Unit 5, Garankuwa, Tshwane	Residual method	2024/03/31	No	441 700	-
Trevenna ¹	70 Meintjies Street, Trevenna, Tshwane	DCF	2024/03/31	No	-	391 700
Other					9 160 877	9 891 524
Lease income accrual					(663 307)	(612 387)
Total properties					16 180 510	16 910 137

1. This investment does not meet the top ten criteria in the current year. Refer to note 3.1 for explanatory notes.

	2024 R'000	2023 R'000
Balance at beginning of the year	17 522 524	17 284 029
Additions – direct acquisition	26 138	-
Capital expenditure	1 213 936	1 222 659
Disposals	(261 707)	(368 147)
Fair value adjustment*	(1 657 074)	(616 017)
Closing fair value	16 843 817	17 522 524
Operating lease income accrual	(663 307)	(612 387)
Balance at end of year	16 180 510	16 910 137

*Independent valuations of the investment properties were performed as at 31 March 2024. The properties were valued at fair value on the basis of the comparable sales, residual value and discounted cash flow method, using a risk-free rate adjusted for property risk. Additional adjustments were included for tenant risk, building factors, vacancies, rental reversions to market, property costs, tenant installations and capital expenditure. The key assumptions used by the valuers include the capitalisation rate and the discount rate. The discount rates reflect the risks inherent in the net cash flows and are constantly monitored by reference to comparable market transactions.

The independent valuation was performed by professional valuers from Broll and Spectrum Valuations who are registered valuers in terms of section 19 of the Valuers Professional Act, No 47 of 2000, and have recent experience in valuing similar properties at similar locations. However, direct properties with available offer prices as at 31 March 2024 have been valued at the offer prices. The fair value of the direct properties with offer prices is R88.3 million as at 31 March 2024 (R593 million at 31 March 2023).

3.1.5 Equities

	Fair value 2024 R'000	Fair value 2023 R'000
Primary listing	846 465 459	878 869 753
Secondary listing	303 334 675	328 756 563
Unlisted equities	96 082 570	84 481 074
Total equities	1 245 882 704	1 292 107 390

	Total issued shares (number)	GEPF's shareholding (number)	GEPF's shareholding (%)	Fair value 2024 R'000	Fair value 2023 R'000
1. Primary listing (listed on the JSE)				846 465 459	878 869 753
Naspers Ltd	181 229 347	37 223 002	21	124 978 090	136 602 364
FirstRand Ltd	5 609 488 001	874 561 412	16	53 986 676	52 934 974
Gold Fields Ltd	895 024 247	163 876 328	18	49 802 016	28 727 415
Standard Bank Group Ltd	1 675 775 231	244 201 014	15	45 235 796	42 207 174
Capitec Bank Ltd	116 099 843	17 973 546	15	37 668 778	30 997 671
MTN Group Ltd	1 884 269 758	373 927 138	20	35 051 930	49 594 988
Bid Corporation Ltd ²	335 404 212	66 887 151	20	30 889 155	-
AngloGold Ashanti Ltd	419 685 792	67 382 440	16	28 481 884	27 675 358
Vodacom Group Ltd	2 077 841 204	247 992 173	12	24 439 629	31 323 134
Shoprite Holdings Ltd ²	591 338 502	97 411 752	16	24 103 564	-
Sasol Ltd ³				-	28 270 736
Impala Platinum Holdings Ltd ³				-	27 034 727
Other				391 827 941	423 501 212
2. Secondary listing				303 334 675	328 756 563
Prosus N.V.	4 034 484 561	74 445 985	2	44 517 955	58 836 951
Anglo American Plc	1 225 277 784	82 674 738	7	38 456 981	49 737 385
Richemont Securities AG	537 582 089	13 025 357	2	37 610 067	38 810 563
British American Tobacco Plc	2 234 086 041	59 259 473	3	34 200 420	35 651 232
BHP Group Plc	5 071 530 817	42 760 872	1	23 326 911	27 271 416
Anheuser-Busch InBev SA N.V.	1 797 197 263	15 128 774	1	17 500 512	16 734 702
Glencore Plc	12 200 711 959	166 220 323	1	17 386 646	20 689 752
Mondi Ltd	441 412 530	47 501 862	11	15 861 822	11 928 013
Reinet Investments S.C.A.	195 941 286	32 261 873	16	14 783 358	11 587 774
Nepi Rockcastle N.V. ²	660 826 020	109 950 304	17	14 381 500	-
Investec Plc ³				-	9 401 990
Other				45 308 503	48 106 785

3.1.5 Equities (continued)

	Total issued shares (number)	GEPF's shareholding (number)	GEPF's shareholding (%)	Fair value 2024 R'000	Fair value 2023 R'000
3. Unlisted equities***				96 082 570	84 481 074
Pareto Ltd	4 551 646 134	4 551 646 134	100	17 985 000	15 718 000
ABSA Group Ltd	**	**	**	12 876 245	13 803 943
Pan-African Infrastructure Development Fund	*	*	*	9 618 600	10 646 593
V&A Waterfront Holdings (Pty) Ltd	1 000 000	500 000	50	6 083 000	6 196 901
ETC Group Ltd	22 478 519	3 122 266	14	5 507 148	4 731 003
Heineken Beverages Ltd ¹	401 438 254	63 920 896	16	5 239 000	-
Attacq Ltd ²	10 000	3 000	30	2 993 000	-
ADR International Airports SA (Pty) Ltd	166 000	166 000	100	2 577 780	2 055 000
African Finance Corporation	1 292 390 397	52 083 333	4	2 250 998	1 869 287
African Bank Ltd	500 000 000	125 000 000	25	1 918 092	1 782 496
AP Venture Fund ³	-	-	-	-	2 761 791
Siyanda Resources (Pty) Ltd ³	-	-	-	-	1 968 474
Other	-	-	-	29 033 707	22 947 586

* The value of the 40% GEPF shareholding in PAIDF I at 31 March 2024 was estimated at R2.9 billion (2023: R3.3 billion). The value of the 92% GEPF shareholding in PAIDF 2 at 31 March 2024 was estimated at R6.7 billion (2023: R7.3 billion).

** This instrument is an option and therefore GEPF shareholding percentage is not applicable.

*** The independent valuation of unlisted equity instruments was performed by professional valuers from PricewaterhouseCoopers, Ernest & Young, Sizwe Ntsaluba Gobodo/Grant Thornton. Theza and RisCura. BDO/JLL, PricewaterhouseCoopers/Knight Frank and Sizwe Ntsaluba Gobodo/Eris Property were the independent valuers that performed the valuations for the unlisted property shares. All these professional valuers have experience in valuing financial instruments of a similar nature.

1. In the financial year ended 31 March 2023, the GEPF held shares in Distell. Distell's shares stopped trading on the JSE on 20 March 2023 because of the proposed merger transaction. Distell's shares were valued at R180; R165 per share for the ciders and flavoured beers at a total value of R10.5 billion.

2. This instrument was acquired during the year under review.

3. These instruments did not meet the top ten criteria in the current/previous year. Refer to note 3.1 for explanatory notes.

3.1.6 Preference shares

	Total issued shares (number)	GEPF's Shareholding (number)	GEPF's shareholding (%)	Fair value 2024 R'000	Fair value 2023 R'000
BK One Ltd	24 492 823	1 200 000	5	120	120
Total preference shares				120	120

3.1.7 Collective investment schemes

	Fair value 2024 R'000	Fair value 2023 R'000
Black Rock Advisors (UK)	150 150 265	116 546 864
Robeco Institutional Asset Management B.V.	51 705 454	38 872 258
ManuLife Asset Managers ¹	8 459 897	-
Cheyne Capital Management (UK) LLP	7 727 737	6 193 163
Enko Capital Management LLP	7 325 912	5 236 635
Amundi (UK) Ltd	7 303 870	5 491 379
Allianz Global Investors ¹	7 038 700	-
ABRDN Investments Ltd	5 161 914	3 817 474
PIMCO Europe Ltd	5 100 433	3 764 529
Gemcorp Capital LLP	3 996 090	3 887 886
Mazi Africa Capital (Pty) Ltd ²	-	1 446 858
Coronation African Frontiers Unit Trust ²	-	1 202 293
Other	6 702 498	1 113 108
Total	260 672 770	187 572 447

1. These instruments were acquired during the year under review.

2. These instruments do not meet the top ten criteria in the current year. Refer to note 3.1 for explanatory notes.

The GEPF owns units in all above listed collective investment schemes.

3.1.8 Risk management credit/counterparty risk

Counterparty	Direct investment in counterparty R'000	Deposit/liq- uid asset with counterparty R'000	Guar- antees	Any other instrument R'000	Total per counterparty R'000	Exposure to counterparty (% of the fair value of assets)
Banks						
ABSA Group Ltd	8 459 777	516 994	No	11 515 478	20 492 249	1
African Export Import Bank	1 184 916	-	No	-	1 184 916	-
African Bank Ltd	1 918 092	-	No	-	1 918 092	-
Bank of New York	-	2 769 630	No	-	2 769 630	-
Capitec Holdings Ltd	37 668 778	-	No	206 197	37 874 975	2
Citigroup Global Markets	-	12 246	No	7 352 333	7 364 579	-

3.1.8 Risk management credit/counterparty risk (continued)

Counterparty	Direct investment in counterparty R'000	Deposit/liquid asset with counterparty R'000	Guarantees	Any other instrument R'000	Total per counterparty R'000	Exposure to counterparty (% of the fair value of assets)
Development Bank SA Ltd	-	-	No	1 812 322	1 812 322	-
Ecobank Transnational Inc.	1 189 569	-	No	-	1 189 569	-
FirstRand Ltd	53 986 676	100 679	No	13 956 957	68 044 312	3
HSBC Holdings Plc	-	126 968	No	-	126 968	-
International Bank for Reconstruction and Development	-	-	No	6 665 595	6 665 595	-
Investec Ltd	17 911 888	68 694	No	11 573 007	29 553 589	1
Land and Agricultural Development Bank	-	-	No	1 740 187	1 740 187	-
Nedbank Ltd	17 106 218	439 201	No	8 736 025	26 281 443	1
New Development Bank	-	-	No	717 316	717 316	-
Rand Merchant Bank	140	-	No	-	140	-
South African Reserve Bank	53	155 694	No	-	155 747	-
Standard Bank Group Ltd	45 235 796	57 289 402	No	13 639 088	116 164 286	5
Venda Building Society Ltd	-	-	No	-	-	-
Asset managers						
ABRDN Investments Ltd	-	-	No	5 161 914	5 161 914	-
Allianz Global Investors	-	-	No	7 038 700	7 038 700	-
Amundi (UK) Ltd	-	-	No	7 303 870	7 303 870	-
Black Rock Advisors (UK)	-	-	No	164 159 126	164 159 126	7
Cheyne Capital Management (UK) LLP	-	-	No	7 727 737	7 727 737	-
Coronation Asset Management (Pty) Ltd	1 473 128	-	No	1 238 069	2 711 197	-
Enko Capital Management LLP	-	-	No	7 325 912	7 325 912	-
Gemcorp Capital LLP	-	-	No	3 996 090	3 996 090	-
Goldman Sachs Asset Management International	-	-	No	6 354 730	6 354 730	-
H4 Collective Investments (RF) (Pty) Ltd	-	-	No	954 754	954 754	-
Ninety-One Group	3 903 368	-	No	5 157	3 908 525	-
JP Morgan Asset Management (UK) Ltd	-	-	No	7 123 341	7 123 341	-
Manulife Ltd	-	-	No	8 459 897	8 459 897	-
Mazi Capital Ltd	-	-	No	1 374 483	1 374 483	-
Novare Africa Property Fund	1 120 861	-	No	-	1 120 861	-
PIMCO Europe Ltd	-	-	No	5 100 433	5 100 433	-
Robeco Institutional Asset Management B.V.	-	-	No	51 705 454	51 705 454	2
Insurance companies						
Alexander Forbes Ltd	355 778	-	No	-	355 778	-
Discovery Holdings Ltd	10 556 870	-	No	-	10 556 870	-

3.1.8 Risk management credit/counterparty risk (continued)

Counterparty	Direct investment in counterparty R'000	Deposit/liquid asset with counterparty R'000	Guarantees	Any other instrument R'000	Total per counterparty R'000	Exposure to counterparty (% of the fair value of assets)
Liberty Group Ltd	-	-	No	303 205	303 205	-
MMI Holdings Ltd	4 178 319	-	No	190 109	4 368 428	-
Old Mutual Ltd	10 061 672	-	No	152 448	10 214 120	-
Oursurance Group Ltd	6 193 365	-	No	-	6 193 365	-
Sanlam Ltd	22 989 684	-	No	594 807	23 584 491	1
Santam Ltd	1 650 502	-	No	91 829	1 742 331	-

3.1.9 Market risk

Equity holdings

Ten largest Rand-value equity holdings

	Total fair value holdings and open instruments R'000	Market movement by 5% R'000
Naspers Ltd	124 978 090	6 248 905
FirstRand Ltd	53 986 676	2 699 334
Gold Fields Ltd	49 802 016	2 490 101
Standard Bank Group Ltd	45 235 796	2 261 790
Prosus N.V.	44 517 955	2 225 898
Anglo American Plc	38 456 981	1 922 849
Capitec Bank Ltd	37 668 778	1 883 439
Richemont Securities AG	37 610 067	1 880 503
MTN Group Ltd	35 051 930	1 752 597
British American Tobacco Plc	34 200 420	1 710 021
Total value of ten largest equity holdings	501 508 709	25 075 437
As a percentage of total investments plus bank balances (%)	21	1

3.1.10 Other financial instruments

Ten largest Rand-value other financial instruments

	Total fair value holdings and open instruments R'000	Market movement by 5% R'000
Black Rock Global Equity Fund	130 034 150	6 501 708
RSA 2038	52 523 684	2 626 184
Robeco Equity Fund	51 705 454	2 585 273
RSA 202	49 450 713	2 472 536
RSA 2050	44 155 940	2 207 797
RSA 2046	37 196 494	1 859 825
RSA 210	37 042 817	1 852 141
RSA 2033	36 653 699	1 832 685
RSA 2048	35 336 497	1 766 825
RSA 2030	34 317 264	1 715 863
Total value of ten largest other instruments	508 416 712	25 420 837
As a percentage of total investments plus bank balances (%)	21	1

3.1.11 Foreign currency exposure

	Fair value \$'000	Fair value R'000	Exchange rate movement by 5% R'000
Black Rock Advisors UK Ltd	8 793 469	164 159 126	8 207 956
Robeco Institutional Asset Management B.V.	2 769 693	51 705 454	2 585 273
Pan African Infrastructure Development Fund	515 237	9 618 600	480 930
ManuLife Asset Managers	453 169	8 459 897	422 995
Econet New ARX Ltd	427 299	7 976 943	398 847
Dangote Cement Plc	423 903	7 913 551	395 678
Cheyne Capital Management (UK) LLP	413 950	7 727 737	386 387
Enko Capital Management LLP	392 425	7 325 912	366 296
Amundi (UK) Ltd	391 245	7 303 870	365 194
JP Morgan Asset Management (UK) Ltd	381 574	7 123 341	356 167
Allianz Global Investors	377 040	7 038 700	351 935
International Bank for Reconstruction and Development	357 054	6 665 595	333 280
Goldman Sachs Asset Management International	340 402	6 354 730	317 737
ETC Group Ltd	295 000	5 507 148	275 357
ABRDN Investments Ltd	276 507	5 161 914	258 096
PIMCO Europe Ltd	273 214	5 100 433	255 022
Gemcorp Capital LLP	214 058	3 996 090	199 805

3.1.11 Foreign currency exposure (continued)

	Fair value	Fair value	Exchange rate movement by 5%
	\$'000	R'000	R'000
AP Venture Fund	158 854	2 965 537	148 277
African Finance Corporation	120 579	2 250 998	112 550
Mazi Africa Fund	73 627	1 374 483	68 724
Gateway Delta (Pty) Ltd	66 501	1 241 461	62 073
Coronation Africa Frontiers Unit Trust	66 319	1 238 069	61 903
MTN Nigeria Communications Ltd	64 135	1 197 299	59 865
Ecobank Transnational Inc.	63 721	1 189 569	59 478
African Export-Import Bank	63 472	1 184 916	59 246
Aradei Capital	61 660	1 151 081	57 554
Novare Africa Property Fund	60 041	1 120 861	56 043
Vodacom Tanzania Ltd	49 431	922 798	46 140
Bayport management Ltd	47 675	890 010	44 501
Africa Capital Works	36 046	672 921	33 646
ADP III LP	34 453	643 179	32 159
Convergence Partners	33 832	631 586	31 579
Kuvenco 1 Ltd	32 287	602 735	30 137
ADP II LP	31 583	589 593	29 480
Grit Real Estate Group NPV	30 952	577 829	28 891
Capital Alliance Private Equity	20 199	377 089	18 854
South Suez Fund II LP	18 157	338 953	16 948
Kuramo Africa Opportunity I	17 641	329 320	16 466
Drive-In-Trading (Pty) Ltd	17 296	322 883	16 144
Abraaj African Fund III	16 449	307 075	15 354
Africa Food Security Fund	14 036	262 024	13 101
Virunga Fund	12 230	228 313	11 416
West Africa Emerging Fund	10 104	188 622	9 431
AIIF 4 General Partners	9 359	174 717	8 736
Kenya Electricity Ltd	9 099	169 856	8 493
Cipla Quality Chemical Industries	4 211	78 608	3 930
Verod Capital Growth Fund II LP	3 939	73 535	3 677
Ninety One Africa Unit Trust	276	5 157	258
Total value of foreign instruments	18 343 403	342 440 118	17 122 009
As a percentage of total investments plus bank balances (%)		14	1

4. ACCOUNTS RECEIVABLE

	2024 R'000	2023 R'000
Interest receivable	307 370	131 043
Dividends receivable	4 506 406	5 741 893
Estates debt	74 865	79 749
Total estates debt	184 224	165 328
Less: provision for doubtful debts	(109 359)	(85 579)
Fraud cases debt	-	-
Total fraud cases debt	76 603	68 917
Less: provision for doubtful debts	(76 603)	(68 917)
Investment debtors	5 754 568	2 655 365
Lease debtor	663 307	612 387
Purchased service	61 446	64 272
Purchased service not recovered at retirement or death	184	255
South African Post Office	187 235	162 289
Sundry debtors	29 510	8 828
National Treasury	13 518	4 631
Prepayments*	908 619	921 626
Temporary Employees Pension Fund	10	65
Overpayments	34 832	43 070
Total overpayments	75 808	80 742
Less: provision for doubtful debts	(40 976)	(37 672)
Total	12 541 870	10 425 473

* This refers to April 2024 monthly pensions paid in March 2024 because 1 April 2024 was a public holiday.

5. CONTRIBUTIONS

5.1 Contributions receivable

	2024 R'000	2023 R'000
Participating employers	173 323	163 467
Additional employer contributions*	466 977	290 707
Additional NSF employer contributions**	506 279	457 496
Interest on outstanding contributions	1 216	987
Statement of net assets and funds	1 147 795	912 657

* This is an amount owing to the GEPF in respect of additional liabilities placed on the GEPF resultant from decisions by the employers to afford exiting members enhanced benefits as per section 17.4 of the GEP Law (e.g. voluntary severance packages/early retirement without downscaling).

** This is an amount owing to the GEPF in respect of additional liabilities arising out of the revised NSF pension dispensation. The additional cost will have to be met by each individual employer.

5.2 Reconciliation of contributions receivable

	Contributions receivables 2023 R'000	Contributions accrued 2024 R'000	Contributions received 2024 R'000	Contributions receivable 2024 R'000
Member contributions	-	32 506 872	(32 506 872)	-
Employer contributions	911 670	59 665 940	(59 431 031)	1 146 579
Interest on outstanding contributions	987	749	(520)	1 216
Total value of foreign instruments	912 657	92 173 561	(91 938 423)	1 147 795
Statement of changes in net assets and funds				92 173 561

6. CASH AND CASH EQUIVALENTS

	2024 R'000	2023 R'000
Participating employers	2 008 286	1 755 927
Short-term investments	54 714 031	32 482 634
	56 722 317	34 238 561

Money market instruments with original maturities of three months or less are classified as cash and cash equivalents.

7. RESERVES

In terms of a collective agreement negotiated and agreed to in the PSCBC, an actuarial reserve was set aside to address past discriminatory practices.

This note illustrates the detailed split of the reserve balance between Ciskei strikers, general assistants and other past discriminatory practices.

	Ciskei strikers' reserve 2024 R'000	General assistants' reserve 2024 R'000	Other past discriminatory practises reserve 2024 R'000	Total reserve accounts 2024 R'000
Balance at beginning of the year	206 424	162 818	4 709 106	5 078 348
Benefits utilised*	-	-	(121 035)	(121 035)
Transfer from net investment return to reserves	17 560	13 850	280 955	312 365
Balance at end of year	223 984	176 668	4 869 026	5 269 678

* In October 2018, a resolution was signed by the PSCBC to implement the 1998 agreements in paying members affected by past discriminatory practices and as such an amount of R121 million was utilised during the current year.

8. UNCLAIMED BENEFITS

	2024 R'000	2023 R'000
Balance at the beginning of the year	2 217 396	2 063 097
Transferred from benefits	632 094	827 740
Benefits paid	(891 287)	(707 776)
Interest provision - current year	674 294	771 301
Interest provision - prior year	(771 301)	(736 966)
Balance at the end of the year	1 861 196	2 217 396

Reconciliation of number of cases

	Cases 2024	Amount 2024 R'000	Cases 2023	Amount 2023 R'000
Payments rejected by banks	10 313	453 152	10 319	683 446
Cases available for internal tracing	4 007	438 794	4 173	408 991
Unclaimed funeral benefits	181	1 846	166	1 934
Tax directives declined	596	12 906	613	23 051
Family disputes cases	161	51 052	205	71 841
Cases available to external tracing	5 150	84 651	5 497	95 708
Past discriminatory practices (PDP)	8 966	818 795	10 736	932 425
Balance at the end of the year	29 374	1 861 196	31 709	2 217 396

9. BENEFITS

	Benefits accrued current year 2024 R'000	Benefits paid during year 2024 R'000	Benefits transferred to unclaimed benefits 2024 R'000	Benefits payable 2024 R'000	Benefits payable 2023 R'000
Net benefit payments	133 455 455	(140 467 643)	(627 961)	34 613 813	42 253 962
Gratuities	21 420 117	(22 571 146)	(166 968)	7 358 893	8 676 890
Withdrawal benefits	26 849 044	(27 604 744)	(221 302)	13 153 469	14 130 471
Monthly pensions	75 791 626	(77 562 977)	(8 712)	3 312 460	5 092 523
Retrenchment benefit	1 537 634	(3 484 317)	-	539 744	2 486 427
Death benefits	6 114 911	(7 540 314)	(218 698)	9 991 397	11 635 498
Funeral benefits	380 595	(350 878)	(1 329)	148 657	120 269
Children's benefits*	1 350 255	(1 341 994)	(10 952)	109 193	111 884
Divorce benefits	10 738	(10 738)	-	-	-
Unclaimed benefits**	535	(535)	-	-	-
Interest to members***	(3 164 211)	(1 892 723)	(4 133)	9 217 401	14 278 468
Benefits payable****	130 291 244	(142 360 366)	(632 094)	43 831 214	56 532 430
Statement of changes in net assets and funds				133 455 455	

* Children's benefits are payable in terms of the provisions of Rule 14.6.3 of the GEP Law, which was introduced during the 2003 financial year. The benefit offered was reviewed as a result of difficulties experienced with the implementation thereof and referred back to the PSCBC to be renegotiated.

The new child's benefits replaced the orphans' benefits with effect from 1 June 2018. The concern about the orphans' pension was that both parents had to be deceased for a child to qualify for a pension. With the new child's pension, the death of one parent who is a member or pensioner of the Fund occurring from 1 June 2018 will result in an eligible child being entitled to a child's pension.

** Unclaimed benefits are not currently written back to income as per the Prescription Act but will remain in the Fund as unclaimed until the member has been traced. These are claims which were written off prior 2009/10 financial year as per the policy during that time and have been claimed and paid in the current year due.

*** Interest to members includes an adjustment resulting from a decrease in the interest provision, which is as a result of a decrease in the benefits payable provision.

**** Benefits payable as at 31 March 2024 and benefits accrued during the year includes an amount of R13.7 billion (2023: R14.9 billion) representing exit cases that were not fully processed at year-end.

Benefit payable age analysis is summarised as follows:

	Cases 2024	Amount 2024 R'000	Cases 2023	Amount 2023 R'000
Current				
<2 years	48 926	25 317 204	46 997	29 419 085
Unpaid benefits				
>2 years	96 636	16 224 604	101 315	24 272 954
Contingency provision	-	2 043 089	-	2 634 274
Children's benefits	4 687	108 059	3 833	110 994
Interest on NSF benefits	928	138 258	643	95 123
Total	151 177	43 831 214	152 788	56 532 430

10.1 Transfers to other funds

	Effective date	Number of member	Transfers approved 2024 R'000	Return on transfer 2024 R'000	Transfers paid 2024 R'000	Transfers payable 2024 R'000	Transfers payable 2023 R'000
Bulk transfers in terms of Rule 12 of the GEP Law Municipal transfers	2023/2024	10	8 158	3 338	(11 423)	1 288	1 215
		10	8 158	3 338	(11 423)	1 288	1 215
Transfers approved						8 158	
Return on transfers						3 338	
Statement of changes in net assets and funds						11 496	

10.2 Transfers from other funds

	Effective date	Number of member	Transfers approved 2024 R'000	Return on transfer 2024 R'000	Transfers received 2024 R'000	Transfers receivable 2024 R'000	Transfers receivable 2023 R'000
Bulk transfers in terms of Rule 12 of the GEP Law Individual transfers	2023/2024	32	32 978	-	(32 978)	-	-
		32	32 978	-	(32 978)	-	-
Transfers approved						32 978	
Return on transfers						-	
Statement of changes in net assets and funds						32 978	

11. ACCOUNTS PAYABLE

	2024 R'000	2023 R'000
Administrative creditors	38 011	26 864
Operating lease accrual	-	420
Child maintenance (court orders)	2 039	1 557
Contributions (employers)	400 106	401 438
Dormant members	520	473
Associated Institutions Pension Fund	1 561	1 684
Government Pensions Administration Agency	88 111	79 731
Investment creditors	5 096 209	5 832 197
National Treasury	253	138
Non-statutory forces contribution	1 079	1 079
Outstanding SA Post Office vouchers	183 012	158 382
Portfolio management fees payable	478 657	428 059
Sundry creditors	355 206	379 862
	6 644 764	7 311 884

12. PROVISIONS

	2024 R'000	2023 R'000
Provision for accumulated leave pay	1 826	892
Balance at the beginning of the year	892	1 287
Provided	1 826	892
Utilised	(892)	(1 287)
Provision for bonuses	19 711	19 556
Balance at the beginning of the year	19 556	11 121
Provided	19 711	19 556
Utilised	(19 556)	(11 121)
Balance at the end of the year	21 537	20 448

13. PURCHASE OF PERIODS OF SERVICE

	2024 R'000	2023 R'000
GEPF members	52 693	45 452
Divorce benefits	33 535	33 286
Past discriminatory members	121 035	418 852
	207 263	497 590

14. NET INVESTMENT INCOME

	2024 R'000	2023 R'000
Income from investments	116 928 678	116 385 788
Dividends	52 035 695	56 378 836
Interest	59 717 048	56 691 134
Other income	1 970 823	936 163
Reversal of impairment ³	1 134 333	350 535
Property income	2 070 779	2 029 120
Net profit on sale of investments ¹	63 134 085	22 231 806
Adjustment of fair value	(51 311 164)	(52 358 320)
Foreign exchange gain	-	6 364 632
Impairment of investments ²	(6 479 141)	(6 157 706)
Total investment income	122 272 458	86 466 200
Less: expenses incurred in managing investments		
Management fees - externally managed	(2 123 086)	(2 231 290)
Management fees and other expenses - internally managed	(64 772)	(34 465)
Property expenses	(1 386 518)	(1 186 641)
Foreign exchange loss	(1 506 480)	-
Transaction costs and other expenses	(972 147)	(820 114)
Total investment expenses	(6 053 003)	(4 272 510)
Net investment income	116 219 455	82 193 690
Profit on sale of investments ¹	66 836 280	25 183 619
Loss on sale of investments ¹	(3 702 195)	(2 951 813)

1. Net profit on sale of investments.

2. Some of the loans entered into by the PIC on behalf of the GEPF in their capacity as the Fund's asset manager have been impaired based on the independent valuation as stated on the following page.

3. In the current year, reversals of impairment were recognised by companies listed in the schedule of reversals of impairment on the page following the next.

Schedule of impairments

	2024 R'000	2023 R'000
Honsha Property (Pty) Ltd	1 380 904	306 651
Firefly Investments 326 (Pty) Ltd	670 327	1 235 057
Econet New ARX Ltd	653 139	85 462
Educor Property Holdings (Pty) Ltd	585 395	-
SAHL Investments Holdings (Pty) Ltd	356 882	-
South Point Management Services (Pty) Ltd	352 836	-
Land and Agricultural Development Bank SA	328 948	373 516
Belelani Capital (Pty) Ltd	246 198	157 823
Tanga Cement Company Ltd	217 525	-
Allied Mobile communications (Pty) Ltd	191 855	192 529
Independent News and Media SA (Pty) Ltd	177 280	297 121
Drive-in-Trading (Pty) Ltd	163 588	97 719
AFGRI Poultry (Pty) Ltd	155 015	306 112
Sub Saharan Investment Holdings (Pty) Ltd	113 478	71 658
Firefly Investments 319 (Pty) Ltd	90 174	58 963
EM Africa Properties (Pty) Ltd	86 759	-
Firefly Investments 230 (RF) (Pty) Ltd	78 576	76 502
Dikgosi Tailings Processing (Pty) Ltd	74 386	-
Venda Building Society	71 444	51 677
Interden Management (RF) (Pty) Ltd	64 940	89 472
Friedshelf 1518 (Pty) Ltd	64 297	-
Ekuzeni Supplies (Pty) Ltd	59 114	-
Acapulco Trade and Invest 164 (RF) (Pty) Ltd	56 028	-
Lona Group (Pty) Ltd	49 157	72 567
Kgwara Investments (Pty) Ltd	40 072	37 500
ACWA Power Solafrica Bokpoort CSP Power Plant (Pty) Ltd	30 942	68 776
Zamalwandle Transport Logistics (Pty) Ltd	27 080	80 170
Sakhumnotho Property Holdings (Pty) Ltd	21 854	-
Southern Farms (Pty) Ltd	15 000	22 534
CPV Power Plant No.1 (Pty) Ltd	12 570	4 717
Just Veggies (Pty) Ltd	9 778	30 023
Project Prop (Pty) Ltd	7 515	88 720
Magae Makhaya Housing (Pty) Ltd	6 160	-
Mazwe Funding SPV (RF) (Pty) Ltd	5 663	79 346
Yalu Financial Services (Pty) Ltd	5 345	7 468
Aspari (Pty) Ltd	4 840	-
Shenge Properties (Pty) Ltd	4 006	-
Hot Dog Café (Pty) Ltd	71	1 009
Lancaster Group	-	752 236
Kuseni Group (RF) (Pty) Ltd	-	377 185
S&S Refinery (Pty) Ltd	-	291 672
Musa Group (Pty) Ltd	-	164 293

Schedule of impairments (continued)

	2024 R'000	2023 R'000
Bafepi Agri (Pty) Ltd	-	155 324
Smile Telecoms Holdings (Ltd)	-	148 364
WH Pharma Couriers (RF) (Pty) Ltd	-	111 929
Madibeng Municipality	-	102 771
Sunrise Energy (Pty) Ltd	-	40 528
LA Crushers (Pty) Ltd	-	37 372
Botshilu Private Hospital (Pty) Ltd	-	26 373
Kiaat Nozala Health Partners (Pty) Ltd	-	22 479
Roggeveld Wind Power (Pty) Ltd	-	22 327
Tanga Cement Company Ltd	-	11 761
Total	6 479 141	6 157 706

In arriving at the impairment figures, the GEPF took the following impairment triggers into account which were considered on all of its impaired investments:

- Uncertainties on the going concern on audited financial statements of its investees
- Actual breaches of any original funding agreements that resulted in renegotiation of those agreements
- Where cash flow projections have been revised downwards, it resulted in a decrease in enterprise values of investees
- Anticipated pressure on investees in servicing their debt obligations.

In the current year, reversals of impairment were recognised by companies listed in the schedule of reversals of impairment below.

Schedule of reversals of impairment

	2024 R'000	2023 R'000
Independent News and Media SA (Pty) Ltd*	288 224	-
Kuseni Group (RF) (Pty) Ltd	263 534	52 468
Madibeng Municipality*	186 070	-
Bafepi Agri (Pty) Ltd	134 508	-
Kiaat Hospital (Pty) Ltd*	78 031	5 567
Solar Capital De Aar (RF) (Pty) Ltd	60 862	-
Sunrise Energy (Pty) Ltd	55 525	-
Botshilu Private Hospital (Pty) Ltd*	41 646	-
Musa Group (Pty) Ltd*	17 464	-
Sub Saharan Investment Holdings (Pty) Ltd	7 261	-
Roggeveld Wind Power (Pty) Ltd	1 208	-
Acapulco Trade and Invest 164 (RF) (Pty) Ltd	-	96 502
Interden Management (RF) (Pty) Ltd	-	89 598
Ekuzeni Supplies (Pty) Ltd	-	51 632
Friedshelf 1518 (Pty) Ltd	-	38 157
Kurisani Youth Development Trust	-	16 362
V&A Waterfront Holdings (Pty) Ltd	-	249
Total	1 134 333	350 535

* During the period under review the external valuers were requested to apply the in duplum rule for affected instruments in the period under review or in previous financial years.

15. OTHER INCOME

	2024 R'000	2023 R'000
Arrear contributions	6 378	25 707
Purchase of service	4 259	3 962
Additional employer contributions - early retirement	-	-
Additional employer contributions - NSF	48 783	44 082
Interest on bank account	141 760	89 371
Other	1 058	295
Total	202 238	163 417

16. ADMINISTRATIVE EXPENDITURE

16.1 Total administrative expenditure

	2024 R'000	2023 R'000
Administration expenses	1 215 184	1 022 253
Actuarial fees	2 725	1 394
Investment accounting fees	-	-
Investment performance analysis	1 839	-
Audit fees	10 861	10 246
Depreciation	2 626	3 268
Foreign currency loss	1	3
Legal costs	33 227	26 917
Bad debts	-	1 595
Profit on sale of property, plant and equipment	-	-
Operating expenses	80 479	68 699
Operating lease payments	5 838	7 078
Operating lease smoothing adjustments	-	313
Personnel expenses	109 696	106 102
Personnel expenditure (refer to note 16.2)	58 127	53 462
Executive officer expenditure (refer to note 16.3)	20 353	20 267
Principal officer expenditure (refer to note 16.4)	9 505	9 788
Trustees' expenditure (refer to note 16.7)	21 711	22 585
Increase/(decrease) in provision for doubtful debt	34 770	18 187
	1 497 246	1 266 055

16.2 Personnel remuneration and expenses

	2024 R'000	2023 R'000
Remuneration to permanent and contract employees	54 292	48 462
Retirement fund contributions	3 700	4 486
Other benefits (housing, medical, etc.)	135	514
Total	58 127	53 462

16.3 Executive officers' remuneration and expenses

	2024 R'000	2023 R'000
Remuneration and allowances	15 591	14 505
Bonuses - long-term incentive	708	1 348
Bonuses - short-term	4 054	4 414
Total	20 353	20 267

16.4 Principal officer's remuneration and expenses

	2024 R'000	2023 R'000
Remuneration and allowances	6 009	5 576
Bonuses - long-term incentive	1 165	2 141
Bonuses - short-term	2 331	2 071
Total	9 505	9 788

16.5 Detailed executive and Principal Executive Officer remuneration

Name	Position	Cost to company 2024 R'000	Short-term incentives 2024 R'000	Long-term incentives 2024 R'000	Total 2024 R'000
Musa Mabesa	Principal Executive Officer	6 009	2 331	1 165	9 505
Dharmasela Naidoo	Head: Stakeholder Management and Communications	2 350	760	380	3 490
Adri van Niekerk	Company Secretary	2 278	655	328	3 261
Sifiso Sibiya*	Head: Investment	2 947	925	-	3 872
Brian Karidza*	Head: Actuarial and Benefits Administration	2 849	899	-	3 748
Portia Mngomezulu*	Head: Corporate Services	2 584	-	-	2 584
Bulelwa Kotta*	Head: Finance	2 583	815	-	3 398
Total		21 600	6 385	1 873	29 858

Name	Position	Cost to company 2023 R'000	Short-term incentives 2023 R'000	Long-term incentives 2023 R'000	Total 2023 R'000
Musa Mabesa	Principal Executive Officer	5 576	2 071	2 141	9 788
Dharmasela Naidoo	Head: Stakeholder Management and Communications	2 153	680	690	3 523
Adri van Niekerk	Company Secretary	2 192	648	658	3 498
Sifiso Sibiyi*	Head: Investment	2 714	842	-	3 556
Brian Karidza*	Head: Actuarial and Benefits Administration	2 622	791	-	3 413
Portia Mngomezulu*	Head: Corporate Services	2 384	737	-	3 121
Bulelwa Kotta*	Head: Finance	2 440	716	-	3 156
Total		20 081	6 485	3 489	30 055

* These employees did not qualify to receive long-term incentive bonuses. The start dates of these employees are as follows:

Head: Investments	1 June 2021
Head: Actuarial and Benefits Administration	2 June 2021
Head: Corporate Services	1 October 2021
Head: Finance	1 February 2022

16.6 Board of Trustees' remuneration and expenses

	2024 R'000	2023 R'000
Meeting allowances	21 581	18 788
Expenses	130	3 797
Total	21 711	22 585

16.7 Trustee remuneration

Name	Meeting attendance fee R'000	Retainer fee R'000	Subsistence and travel R'000	Total paid R'000
Ms L Bodewig	-	-	19	19
Ms AY Coetzee	297	67	8	372
Rev DC Jantjies	375	67	29	471
Ms JD Jeftha	323	64	2	389
Mr EE Kekana	757	270	-	1 027
Ms PN Kekana	387	87	-	474
Mr SR Kgara	299	67	-	366
Ms TC Khoza	607	145	-	752
Maj-Gen NP Lushaba	268	67	-	335
Ms H Makhupola	576	182	1	759
Ms LH Makwetla	445	99	4	548
Mr ME Maledu	260	67	-	327
Mr SL Malema	304	67	3	374
Mr SV Malinga	239	67	-	306
Mr MJ Maluleke	156	67	-	223
Mr NA Marotholi	679	182	2	863
Mr AT Matsose	531	128	6	665
Ms ME Mmola	433	99	2	534
Mr AD Mogajane	948	399	-	1 347
Ms LR Mokgabudi	776	194	14	984
Mr RN Morris	557	151	-	708
Mr ZH Msindo	855	249	1	1 105
Mr SS Nkambule	527	162	3	692
Mr MM Nkosi	659	162	3	824
Ms BF Nkunjana	618	145	4	767
Mr MB Ntlou	533	67	1	601
Lt-Gen L Ntshiea	686	162	2	850
Mr HL Qangule	507	128	2	637
Mr GG Rafferty	514	128	-	642
Mr P Snyman	640	182	-	822
Dr ZW Shabane	297	67	14	378
Mr VS Tshabalala	199	67	-	266
Mr CJ van Dyk	361	128	-	489
Lt-Col (Dr) BJ van Nieuwenhuyzen	406	100	4	510
Mr X Nhlapo	86	16	-	102
Adv M Ndaba	592	143	4	739
Ms JM Maisela	373	69	2	444
Total	17 070	4 511	130	21 711

17. INTEREST EXPENSE

	2024 R'000	2023 R'000
Interest payable to members	(3 164 211)	2 743 330
Interest (provision adjustment)/payable to members exited from GEPF*	(3 394 365)	2 574 708
Interest payable to external funds in respect of members exited from GEPF	148 375	127 351
Interest payable to NSF members	82 049	41 271
Interest payable to dormant members	47	43
	(3 164 164)	2 743 373

* Interest to members includes an adjustment resulting from a decrease in the interest provision, which is as a result of a decrease in the benefits payable provision.

18. OPERATING LEASE

	2024 R'000	2023 R'000
Income		
Future minimum lease payments receivable under non-cancellable operating leases:		
Receivable within one year	1 220 543	1 183 759
Receivable between two and five years	3 331 040	3 071 387
Receivable after five years	1 925 603	2 240 558
	6 477 186	6 495 704
Expenses		
Future minimum lease payments under non-cancellable operating leases:		
Payable within one year	930	4 395
Payable between two and five years	-	930
	930	5 325

19. CASH GENERATED FROM OPERATIONS

	2024 R'000	2023 R'000
Net income after transfers and benefits	77 035 462	31 138 185
Adjusted for:	(128 266 648)	(86 752 481)
Interest and other income	(59 919 286)	(56 854 551)
Interest (adjustment)/expense	(3 164 164)	2 743 373
Divorce benefits	10 738	7 333
Dividends received	(52 035 695)	(56 378 836)
Adjustment to fair values of investments	51 311 164	52 358 320
Profit on sale of investments	(63 134 085)	(22 231 806)
Impairment of investments	6 479 141	6 157 706
Reversal of impairment	(1 134 333)	(350 535)
Foreign currency loss/(income)	1 506 481	(6 364 629)
Depreciation	2 626	3 268
Lease smoothing	-	313
Bad debt written off	-	1 595
Increase/(decrease) in doubtful debt provision	34 770	18 187
Movement in provisions	(7 995 260)	(5 347 022)
Net transfers (in)/out	(228 745)	(515 197)
Adjusted net loss after transfers and benefits	(51 231 186)	(55 614 296)
Change in working capital	(279 320)	(805 999)
Decrease/(increase) in accounts receivable	(298 010)	(1 120 308)
Increase/(decrease) in accounts payable	18 690	314 309
Cash flow generated from operations	(51 510 506)	(56 420 295)

20. FINANCIAL MANAGEMENT AND ASSOCIATED RISKS

Investment activities expose the GEFP to various types of risks that are associated with the financial instruments and the asset classes in which the portfolio is invested in.

GEFP's strategic asset allocation percentages for the various asset classes, is set to counter, amongst other risks, inflation risk that affect the GEFP's liabilities and assets. The nature and extent of financial instruments as at financial year-end and the risk management policies employed by the GEFP and its investment manager are discussed below.

20.1 Market risk and interest rate risk

Market risk is the risk that the value of a financial instrument or investment will fluctuate due to adverse movements in market factors.

Investment managers are required to diversify investments of the GEFP and make investments within the specified asset allocation such that the performance of the asset classes is at least similar to the performance of corresponding sectors of the market as a whole and that exposure to a single investment is within an acceptable tolerance level.

Equities are the most volatile asset class and therefore the biggest source of short-term risk for the portfolio. The Investment Committee, on behalf of the Board, monitors this risk against predetermined benchmarks. Furthermore, market risk exposure is managed through adherence to investment mandate requirements.

Interest rate risk is the risk that the value of a financial instrument or the income received from such instruments will adversely change due to a change in interest rate levels, credit spreads and changes in the shape of the pricing yield curve. Risk caused due to a change interest rate levels is managed and evaluated through duration management techniques. In addition, interest rate risk caused by movements in credit spreads and changes in the yield curve shape is managed primarily through credit and macroeconomic research, scenario analysis and stress testing.

20.2 Credit risk

Credit risk is the risk that a counterparty to a financial instrument or investment will default on its obligation, in part or in total, thereby causing financial loss to the GEPF.

Credit risk is managed by utilising internal models, credit related policies, as well as ratings from external credit agencies for listed exposures. Credit related limits are managed through adherence to investment mandate requirements, as well as internal policies and guidelines set out by the Investment Manager that are approved by the relevant committees, in accordance with the Board approved delegation of authority. Risk reports are submitted to the respective committee structures for governance oversight.

The credit risk pertaining to loans and advances is managed partially through a combination of collateral and other forms of available risk transfer mechanisms for the credit exposure. Loans and advances are approved by the relevant governance structures within the Investment Manager and in accordance with investment mandate requirements.

20.3 Liquidity risk

Liquidity risk is the risk that the investments will not readily convert into cash should the need for funds arise.

Liquidity risk is managed by investing in liquid assets such as money market instruments, bonds, fixed deposits and promissory notes as well as liquid debt issues from government, municipalities and other approved issuers in accordance with the investment mandate. In addition to this, an adequate reserve amount is kept in cash, following an asset-liability modelling exercise to further mitigate this risk.

20.4 Currency risk

Currency risk is the risk that the value of a financial instrument denominated in a currency other than the reporting currency may fluctuate due to changes in foreign currency exchange rates, between the reporting currency and the currency in which the instrument is denominated.

The Fund's exposure to currency risk is mainly in respect of the foreign investment mandates which are denominated in US Dollars. Currency risk is managed primarily by settling limits to strategic asset allocation percentages for foreign asset classes and other risk transfer mechanisms allowed through the derivatives policy.

20.5 Solvency risk

Solvency risk is the risk that the invested assets will not be sufficient to meet the GEPF's contractual obligations to members. An undertaking by the Government, as employer, to ensure that the funding level remains above 90% and the setting of strategic asset allocation percentages following as asset-liability modelling exercise, mitigates this risk. Such an exercise will be repeated regularly to ensure that the employer contribution rate, solvency reserve and strategic asset allocation percentages are managed to maintain the solvency risk within levels acceptable to the stakeholders.

20.6 Concentration risk

Concentration risk is the risk of losses arising due to poor diversification within funds. This relates to both credit and market risk as excessive concentrations in a particular or correlated sector, issuer, asset class, term structure or financial instrument type can result in undesirable risk exposures. This risk is managed in accordance with investment mandates, strategic asset allocation percentages, predetermined benchmarks and approved policies, which dictate the level of acceptable concentration.

21. RELATED PARTIES

Majority of the Fund's participating employers relate to the entire government and the predominant numbers of GEPF transactions are with related government entities. This would result in an exorbitant amount of related party disclosure, which in the opinion of the Trustees would not necessarily add value to the users of the financial statements.

Trustees of the Fund who are also members of the Fund contribute to the Fund and may receive benefits upon exit from the Fund in terms of the Fund rules.

Remuneration and expenses of key management personnel is disclosed in note 16 to the annual financial statements.

22. CONTINGENT LIABILITIES

22.1 Benefits

A contingent liability exists for members that exited from the GEPF prior to 31 March 2024, for whom no duly completed exit documentation have been received. The GEPF cannot estimate the benefits payable to such members exactly, because the quantum of the liability is dependent on:

- the reason for exit from service;
- the final salary of the respective members upon exit; and
- the period of pensionable service, which period may be altered by means of added service, dependent on the exit reason, e.g. ill health.

A provision has been made in the financial statements for the actuarial estimate of the above liability, but the benefits owing cannot be calculated exactly, refer to note 9.

22.2 Pending litigation

No contingent liability exists in respect of a legal claim against the GEPF on the date on which the financial statements were approved.

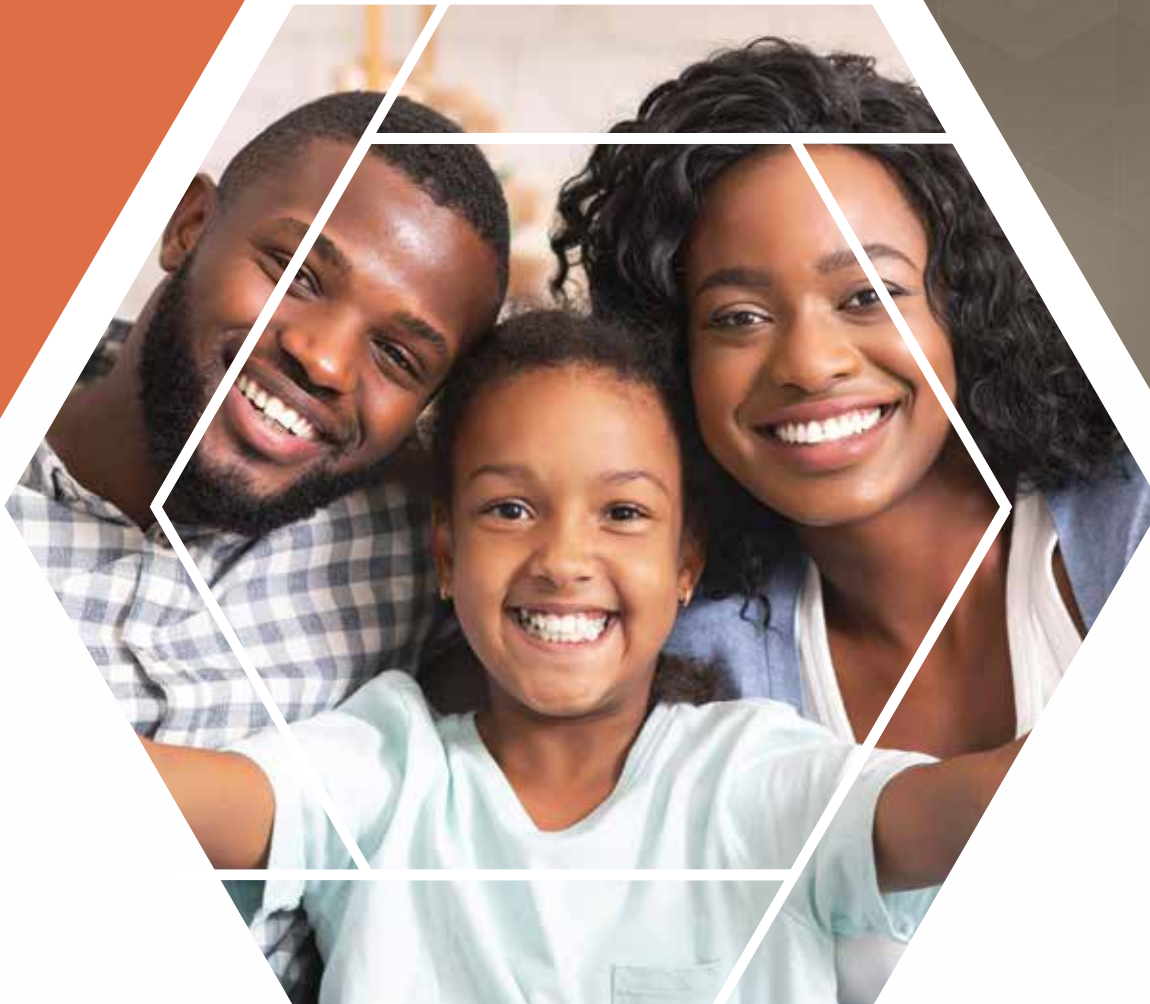
23. CAPITAL COMMITMENTS

23.1 Capital commitments - current year

Name of und	Total commitment 2024 \$'000	Drawn commitment 2024 \$'000	Undrawn commitment 2024 \$'000	Total commitment 2024 R'000	Drawn commitment 2024 R'000	Undrawn commitment 2024 R'000	Estimated repayable period
ADPI II	30 000	28 352	1 648	560 049	529 284	30 765	1 year
ADPI III	40 000	28 438	11 562	746 732	530 889	215 843	8 years
AIIF 4	60 000	10 149	49 851	1 120 098	189 465	930 633	12 years
Cape IV	20 000	19 881	119	373 366	371 145	2 221	1 year
South Suez	25 000	21 033	3 967	466 707	392 650	74 057	4 years
Total	175 000	107 853	67 147	3 266 952	2 013 433	1 253 519	

Name of und	Total commitment 2023 \$'000	Drawn commitment 2023 \$'000	Undrawn commitment 2023 \$'000	Total commitment 2023 R'000	Drawn commitment 2023 R'000	Undrawn commitment 2023 R'000	Estimated repayable period
ADPI II	30 000	28 303	1 697	533 763	503 570	30 193	1 year
ADPI III	40 000	17 843	22 157	711 684	317 464	394 220	9 years
AIIF 4	60 000	-	60 000	1 067 526	-	1 067 526	13 years
Cape IV	20 000	19 757	243	355 842	351 519	4 323	1 year
South Suez	25 000	20 760	4 240	444 802	369 364	75 438	5 years
Total	175 000	86 663	88 337	3 113 617	1 541 917	1 571 700	





PART 11:

GLOSSARY

AuM

Assets under management

B-BBEE

Broad-based black economic empowerment

COFI Bill

Conduct of Financial Institutions Bill

COP

Conference of the Parties

CPI

Consumer Price Index

DoA

Delegation of authority

ESG

Environmental, social and governance

Exco

Executive Committee

FSCA

Financial Sector Conduct Authority

GDP

Gross domestic product

GEP Law

Government Employees Pension Law

GEPF

Government Employees Pension Fund

GPAA

Government Pension Administration Agency

IC

Investment Committee

ICT

Information and communications technology

JSE

Johannesburg Stock Exchange

Mpati Commission

Report of the Judicial Commission of Inquiry into Allegations of Impropriety at the Public Investment Corporation

PAIA

Promotion of Access to Information Act

PAIDF I

Pan-African Infrastructure Development Fund I

PEO

Principal executive officer

PIC

Public Investment Corporation

POPIA

Protection of Personal Information Act

PMC

Portfolio Management Committee

PRI

Principles for Responsible Investment

SARB

South African Reserve Bank

SETCO

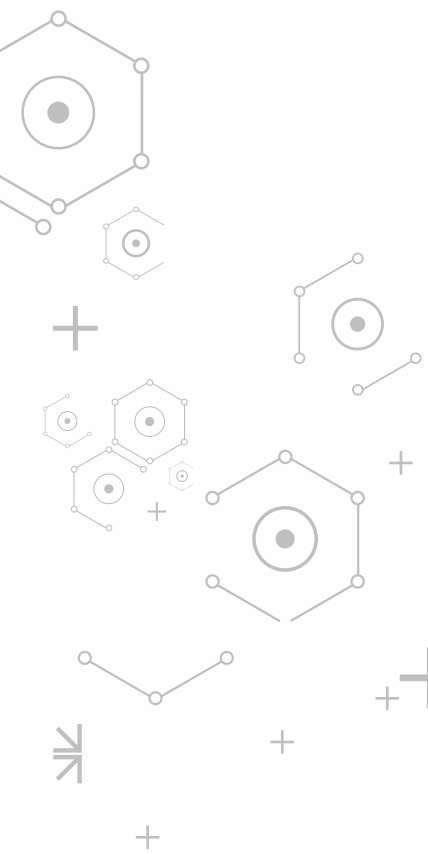
Social, Ethics and Transformation Committee

USD

United States dollar

YOY

Year-on-year





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