

**NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 1577 [NW1923E]
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1577. Mr D C Ross (DA) to ask the Minister of Finance:

Whether local pension funds face the threat of prescribed asset classes if they do not make voluntary infrastructure investments; if so, what policies justify such pressure?

NW1923E

REPLY:

Local pension funds do not face a threat of prescribed assets because it is not Government policy to tell pension funds how to invest. It is up to the trustees of pension funds to decide how and where to invest, as long as their decisions are within the framework of Regulation 28 in terms of the Pension Funds Act of 1956. South Africa will require long-term savings and investments to deal with some of its economic challenges. Pension funds, as long-term investors, have played and can continue to play this natural long-term funding role without the need for coercion. It should also be noted that Regulation 28 requires trustees to consider Environmental, Social and Governance (ESG) factors when determining their investment policies and strategies.