

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER: 1512 [NW1883E]**

**1512. Dr D T George (DA) to ask the Minister of Finance:**

Whether, with regard to regulation 28 of the Pension Funds Act, Act 24 of 1956, investment infrastructure will be listed as an asset class; if not, why not; if so, (a) what limit will be imposed and (b) will investment in this asset class be prescribed?

NW1883E

**REPLY:**

National Treasury has received a number of requests from industry and individuals for amendments to Regulation 28 of the Pensions Fund Act no 24 of 1956, including to specifically accommodate infrastructure assets. At the moment, infrastructure assets are spread over a number of assets classes like equity, private equity and bonds, making it difficult to quantify and identify them specifically. National Treasury is therefore considering whether the regulations should differentiate between infrastructure assets, green bonds, etc. from other assets.

The National Treasury has therefore commenced a process to review whether the current Regulation 28 of the Pension Funds Act No. 24 of 1956, adequately allows retirement funds to invest in infrastructure. Once the review is completed, the Minister of Finance will make an appropriate announcement, expected to be no later than the coming Medium Term Budget Policy Statement 2020.

(a) Current limits that apply under Regulation 28 will be part of the review, and hence any changes to current limits will only be determined after the review is completed.

(b) No. Regulation 28 places upper limits on what proportion of a portfolio may be allocated in various asset classes. There is no need to prescribe investment in any asset class because the board of directors (also known as trustees) of retirement funds have a fiduciary duty to the fund and its members and therefore, need to assess the riskiness of any asset class on their own in order meet their investment mandate to members.