

**NATIONAL COUNCIL OF PROVINCES  
QUESTION FOR WRITTEN REPLY  
QUESTION NUMBER: 314 [CW412E]  
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**314. Mr Z Mlenzana (COPE-EC) to ask the Minister of Finance:**

- (1) Whether the Government through the Public Investment Corporation (PIC) is comfortable in investing Government Employees Pension Fund money to the amount of R2 billion in buying a certain company (details furnished); if not, why not; if so, what are the relevant details;
- (2) whether this investment will create a state hold over newspaper groups; if not, why not; if so, what are the relevant details;
- (3) whether this investment will make good business sense for the PIC to give a further loan to a certain media company (name furnished) as part of the 75% controlling stake in this consortium for the same investment; if not, why not; if so, what are the relevant details?

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**REPLY:**

- (1) Investment decisions are made by the PIC on behalf of the GEPPF.

The ownership of the funds managed by the PIC rests with the clients of the PIC. Specifically, in the case of the GEPPF, a pension fund established to manage and administer pensions and other benefits for government employees, Government is not the owner of the GEPPF, or its funds. As Government stands guarantor of the fund, the Minister of Finance's approval of the GEPPF's investment mandate is required.

All PIC investment decisions are guided by client mandates and the PIC's own investment policies and strategies. The client mandates generally specify asset classes in which the PIC may invest and require that PIC generate investment returns that meet or exceed the benchmark return set by the client. The PIC uses its technical expertise to determine the optimal portfolio of investments to meet the objectives of the client mandate. Government is not involved in the day to day investment decisions of the PIC.

- (2) No. As already highlighted, Government is not the owner of the GEPP, or its funds. Hence, any investments by the PIC on behalf of the GEPP are not investments belonging to the state.
- (3) As already highlighted Government is not involved in the day to day investment decisions of the PIC. It is the PIC's responsibility to undertake the required technical analysis to assess whether any investment will enable it to optimally deliver on the client mandates that it has received.