

Mogajane launches Gepf's transformative policy for economic change

A groundbreaking era for economic transformation in South Africa was ushered in by the chairperson of the Government Employees Pension Fund (Gepf), Dondo Mogajane, who unveiled the fund's transformation policy last week.



Source: Supplied. Government Employees Pension Fund chairperson Dondo Mogajane.

This policy, unveiled at the Gepf Annual Thought Leadership Conference 2023 in Cape Town, will throw the full weight of Africa's largest pension fund behind promoting socio-economic development and addressing historic inequalities within the country and the financial sector.

Speaking at the conference, which was attended by influential figures from the financial sector and high-ranking government officials, Mogajane called on the financial-services industry to rethink the way in which it invests and join in creating a more equitable and inclusive financial sector.

As South Africa's largest investor with R2.3tn in assets under management, he highlighted the GEPF's own resolute commitment to driving socio-economic change within the local financial landscape through strategically leveraging current and prospective investments, guided by the transformation policy.

"Being South Africa's largest investor, we understand the important role we can play in addressing South Africa's socio-economic imbalances through supporting and facilitating transformation, economic growth, job creation, and positive environmental outcomes," he said.

"The transformation policy will be used to guide investments that will promote socio-economic transformation, identifying specific impact areas that will be targeted to realise our objectives."

The four key areas identified by the transformation policy include:

- **Industry-level transformation:** The Gepf is committed to actively investing in return-seeking, sound investments that support the transformation of the financial-services sector. These investments should encourage the growth of black-owned asset managers, private equity fund managers, fixed-income

asset managers, audit firms, actuaries, and other relevant emerging financial-service providers within the sector.

- **Economic transformation:** The policy underscores return-seeking investments that advance Broad Based Black Economic Empowerment (B-BBEE) and transformation within the broader economy, and support access to finance for black-owned small and medium-sized enterprises, fostering job creation and economic growth.



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- **Socio-economic transformation:** The Gepf will channel investments into asset classes that aim to deliver positive financial- and social-service outcomes for South Africa's previously disadvantaged populations, directly addressing historical disparities.
- **Environmental sustainability:** Recognising the importance of considering ESG factors when making investment decisions, and especially environmental responsibility, the GEPF is committed to investments that support South Africa's just transition and long-term environmental sustainability. These should include measures to mitigate climate change and promote renewable energy.

Mogajane emphasised that the Gepf intends to play an active role in overseeing the companies and projects in which it invests, ensuring that its investments remain in alignment with its transformation objectives.

"I believe that for too long, the financial sector has been comfortable with the 'same'. It is for this reason that we at the Gepf have taken the crucial policy decision to address some of the challenges that we face as a country, as an industry, and as an institution.

"We are excited about the launch of our transformation policy. Our commitment to South Africa and Africa clear," he concluded.

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