

Statement

Date: 06 July 2026

PRETORIA

CLARIFICATION ABOUT MEDIA REPORTS INDICATING A R200 BILLION RAND DECLINE IN GEPF'S MARKET VALUE AS A RESULT OF THE ISRAEL-USA- IRAN CONFLICT

There have been several articles in the media that have reported that the market value of the GEPF has declined by R200 billion as a result of the Israel-USA-Iran conflict currently taking place in the middle east region. This statement seeks to provide clarification about these reports for the benefit of GEPF members and pensioners who may be concerned about the reports.

Firstly, it is critical to mention that the GEPF is a defined benefit (DB) fund. Member benefits are guaranteed and determined as stipulated in the GEP Law and Rules that governs the GEPF. Benefits are determined using a formula as defined in the rules applying member years of service, annual average salary and an actuarial interest factor.

Importantly, this means that member benefits are not impacted by the performance of GEPF's investments. The Fund will always pay members their benefits as promised in the rules regardless of market performance. Members's benefits are therefore not impacted by market value movements of the GEPF investment portfolio, including global shocks such as the current conflict in the middle east.

BOARD OF TRUSTEES

Mr. F Baleni (Chairperson) | Mr. E Kekana (Vice Chairperson) | Ms. T Khoza | Ms. K Makhupola | Mr. N Marotholi | Mr. T Matsose | Ms. L Mokgabudi | Mr. Z Msindo | Mr. S Nkambule | Mr. M Nkosi | Ms. B Nkunjana | Mr. B Ntlou | Lieutenant-General L. Nkhuoa | Mr. G Rafferty | Mr. P Snyman | Mr. C Van Dyk |

Secondly, it is not unusual for market values to decline during major geopolitical events like an outbreak of war, pandemics or other global events due to sudden market-wide asset devaluations driven by investor panic, rising inflation, and spiking energy costs. The GEPF has been here before, where its market value has been affected by market shocks, but it has subsequently always recovered all its losses, even surpassing its market value prior to the declines. This was the case during the great recession of 2008 as well as the COVID-19 pandemic in 2020. South African markets are therefore susceptible to global market shocks. It is also worth noting that over 80% of GEPF's assets under management are invested in the South African economy with the GEPF being the single largest institutional investor on the Johannesburg Stock Exchange (JSE). The GEPF applies a long-term investment approach ensuring that market shocks such as the Iran conflict have limited impact on the Fund's ability to meet its long-term obligations to members and pensioners.

Finally, we would like to reassure members and pensioners that the decline in the market value of the GEPF has no impact on the GEPF's ability to pay benefits. It also has no direct impact on the value of members' pension benefits. Members and pensioners are hereby provided with the assurance that the GEPF remains in a sound financial position with a funding level of 119% and will therefore continue to meet its financial obligations to its members and pensioners.

The GEPF and the Board of Trustees (BoT) remain committed to serve, grow and sustain the Fund for the benefit of members, pensioners and beneficiaries for the long-term.

Issued by the Government Employees Pension Fund

BOARD OF TRUSTEES

Mr. F Baleni (Chairperson) | Mr. E Kekana (Vice Chairperson) | Ms. T Khoza | Ms. K Makhupola | Mr. N Marotholi | Mr. T Matsose | Ms. L Mokgabudi | Mr. Z Msindo | Mr. S Nkambule | Mr. M Nkosi | Ms. B Nkunjana | Mr. B Ntlou | Lieutenant-General L. Nkhuoa | Mr. G Rafferty | Mr. P Snyman | Mr. C Van Dyk |