BUREAU for ECONOMIC RESEARCH

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The Big PIC-ture

Where South Africa's Pension Trillions Go

Stellenbosch UNIVERSITY IYUNIVESITHI UNIVERSITEIT

Publication details

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Executive summary

The PIC has dominated the news recently. While we wait to see how events play out politically, this report steps back and asks more fundamental questions. What is the PIC? Who sets its mandate? How does it operate, and how has it actually performed?

The record is more balanced than the headlines suggest. The PIC is not a government department. It is a state-owned financial services provider managing R3.049 trillion under client mandates. The GEPF accounts for 87.8 per cent. Performance has not been disastrous, nor is the institution in tatters. The GEPF reported a 14.1 per cent overall return and remained 119 per cent funded. Its PIC-managed listed portfolio returned 16.95 per cent over one year, above its inflation-linked target but modestly below its composite benchmark. But there are serious cracks starting to show in governance.[1][2]

The PIC walks a difficult tightrope. It must earn long-term returns while pursuing developmental objectives with pension savings. At this scale, small performance gaps carry large Rand costs. South Africa cannot afford another period in which weak governance blurs mandates, investment decisions and accountability. The PIC matters to capital markets and retirement security.

Separate mandate, investment and oversight. This reform principle stands out. Clients set mandates, investment professionals manage assets, independent control functions challenge decisions and the board oversees the system. Mpati-inspired reforms changed the formal architecture. The test is whether these boundaries withstand leadership changes and political pressure while protecting the savings entrusted to the institution.[3][4]

Explore the data
This research note accompanies the BER data story *The Big PIC-ture*, where readers can explore the PIC's assets, clients, asset allocation and major listed holdings interactively.
View the interactive data story →

BER Data Story

Scan to explore

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Reading the numbers
Assets under management measure the market value entrusted to the PIC. Portfolio returns measure investment performance. A pension fund's funding ratio compares actuarial assets with actuarial liabilities. These are related but distinct measures.

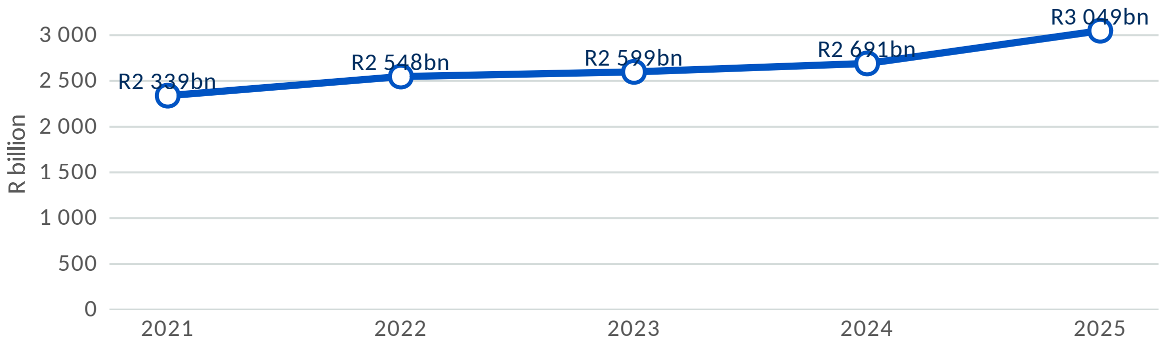
The giant behind the pension system

At 31 March 2025, the Public Investment Corporation (PIC) managed R3.049 trillion. The PIC is not a government department. It is a state-owned financial services provider whose board controls its business and operations.[5] Its clients set the investment mandates that record their objectives and constraints and govern how the PIC invests.[6] The distinction matters because PIC decisions shape capital markets and public-sector retirement savings, but the assets remain its clients' money.

Figure 1 shows how quickly the PIC's economic weight has increased. Assets under management rose from R2.339 trillion in March 2021 to R3.049 trillion in 2025. For longer perspective, the PIC managed R461 billion when it was corporatised in 2005 - that amounts to a compound annual rate of approximately 9.9 per cent.[178]

Figure 1: PIC assets under management has passed R3 trillion

Reported assets under management, financial years 2021 to 2025 (R billion)

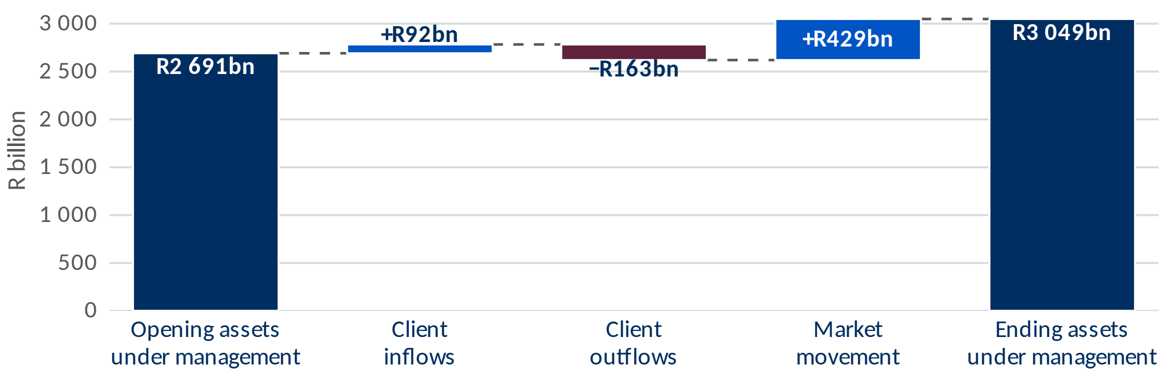


Source: PIC Integrated Annual Report 2021, PDF p. 7; PIC Integrated Annual Report 2025, PDF p. 73.

The headline increase in assets under management in 2025 needs careful interpretation. The total rose by R358 billion or 13.3 per cent in 2024/25, but was primarily driven via market movements of R429 billion. Client inflows of R92 billion were more than offset by R163 billion of outflows, producing net withdrawals of R71 billion. Figure 2 reconciles the opening R2.691 trillion with the closing R3.049 trillion.[9]

Figure 2: What moved assets under management in 2024/25?

Change in reported assets under management, year to 31 March 2025 (R billion)



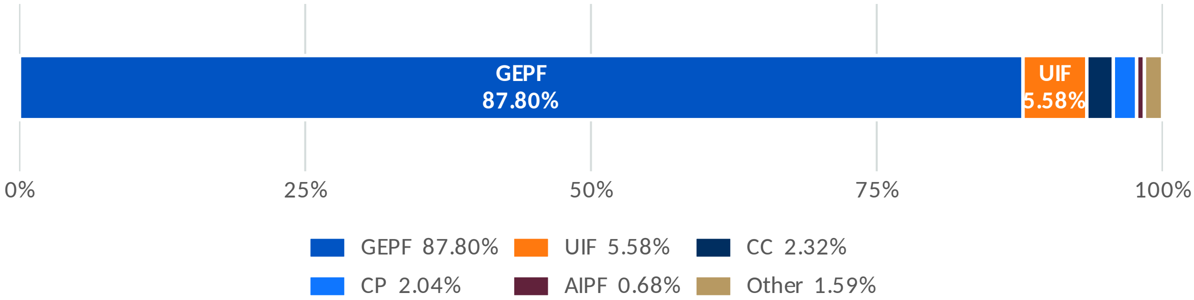
Source: PIC Integrated Annual Report 2025, PDF p. 89.

[1]BER calculation based on growth from R461 billion in 2005 to R3.049 trillion in 2025. Growth in assets under management reflects both investment performance and client flows and should not be interpreted as an investment return.

Figure 3 shows how concentrated the PIC's client base is. The GEPF accounted for 87.80 per cent of PIC assets in March 2025. The Unemployment Insurance Fund held 5.58 per cent, the Compensation Commissioner Fund 2.32 per cent, the Compensation Commissioner Pension Fund 2.04 per cent and the Associated Institutions Pension Fund 0.68 per cent. Smaller clients together represented 1.59 per cent. [10]

Figure 3: The GEPF accounts for almost nine-tenths of PIC assets

Share of assets under management at 31 March 2025 (%)



Source: PIC Integrated Annual Report 2025, PDF p. 88. Note: displayed shares sum to 100.01% because of rounding.

The PIC and the GEPF are therefore closely connected, but they are distinct institutions. The GEPF owns the bulk of the assets and sets the investment objectives, risk parameters and performance expectations contained in its mandate. The PIC acts as the investment manager, responsible for implementing that mandate. This division of responsibility is important when individual investments attract scrutiny. A loss on a particular asset affects the GEPF's portfolio; it does not translate one-for-one into a reduction in an individual pensioner's benefit.

PIC ≠ GEPF

The Government Employees Pension Fund owns pension assets and sets the investment mandate. The Public Investment Corporation manages those assets under an investment-management agreement. The GEPF is a defined-benefit fund, so an individual asset-price movement does not translate mechanically into an individual member's pension benefit.[11]

The reason is institutional as well as financial. The GEPF is a defined-benefit fund, which means that members are promised benefits determined by a formula based largely on salary and years of service, rather than by the value of an individual investment account. Market gains and losses are therefore absorbed at the fund level and do not translate directly into changes in a member's pension. Investment performance still matters because, over time, it affects the fund's ability to meet its liabilities and can influence the contribution burden carried by employers and members. The economically relevant question is therefore not whether a particular asset rises or falls, but whether the portfolio as a whole earns sufficient long-run returns, at an acceptable level of risk, to support the fund's promised benefits. [12]

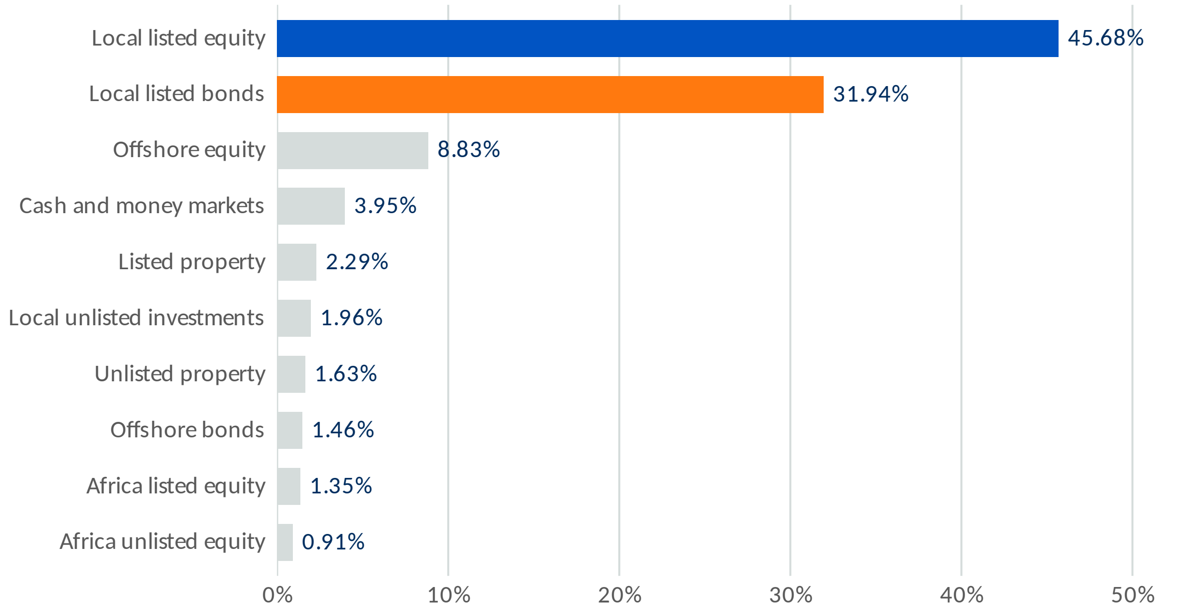
Where the money goes

Figure 4 shows that the PIC is, at its core, a large conventional institutional portfolio. Local listed equity accounted for 45.68 per cent of assets in March 2025 and local listed bonds for a further 31.94 per cent. Together, these two asset classes represented 77.62 per cent of the R3.049 trillion under management. This composition is important for interpreting the PIC's overall performance. Movements in South

African share prices, bond yields and interest rates have a much larger effect on aggregate returns than the individual unlisted investments that often attract greater public attention.[13]

Figure 4: Listed equity and bonds dominate the PIC portfolio

Asset-class composition at 31 March 2025 (% of R3.049 trillion). Local listed equity and bonds together account for



Source: PIC Integrated Annual Report 2025, PDF p. 88.

The remaining assets provide diversification, but they do not fundamentally alter that picture. Offshore equity represented 8.83 per cent of assets, cash and money markets 3.95 per cent and listed property 2.29 per cent. Local unlisted investments and unlisted property accounted for 1.96 per cent and 1.63 per cent respectively, while offshore bonds, listed African equity and unlisted African equity each contributed less than 1.5 per cent. The portfolio is therefore spread across ten reported asset classes, but its economic centre of gravity remains strongly domestic and concentrated in listed markets.[14]

That allocation has several economic implications. The listed-equity portfolio gives the PIC significant exposure to the earnings, valuations and prospects of South African companies, while its large bond allocation makes it an important source of long-term demand in the domestic fixed-income market. In this sense, public-sector savings are recycled into financing for companies and the state. The same structure also creates concentration risk. Weak domestic growth can weigh on corporate earnings, while fiscal deterioration, inflation or higher interest rates can reduce bond values and raise the risk premium attached to South African assets. Because offshore assets remain a relatively small share of the portfolio, they provide only a partial buffer against shocks concentrated in the domestic economy. Assessing the PIC's performance therefore requires considering not only manager decisions, but also the macroeconomic environment in which most of its assets are invested.

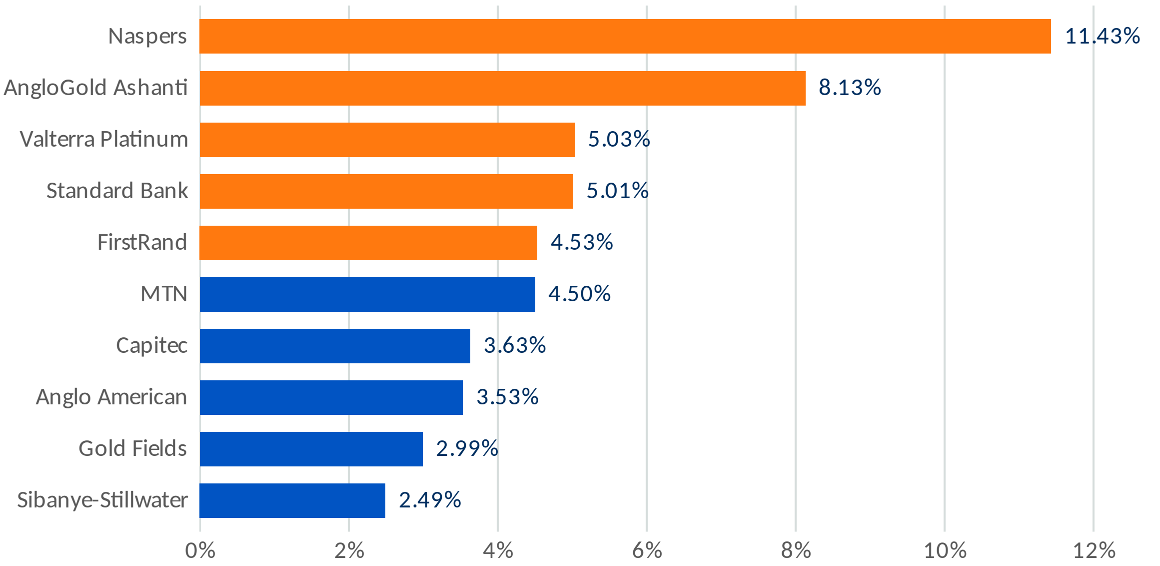
Figure 5 provides a more granular view of the listed exposure. At 30 June 2026, Naspers was the largest reported holding at 11.43 per cent of the snapshot, followed by AngloGold Ashanti at 8.13 per cent. The five largest reported positions accounted for 34.13 per cent and the ten largest for 51.27 per cent.[2] These shares refer to the reported holdings snapshot, not to the PIC's total R3.049 trillion in assets. Banks, mining companies, telecommunications businesses and a technology-linked holding company all feature prominently, illustrating both the PIC's reach across corporate South Africa and the different

[2] The snapshot combines public disclosures made on different dates. Changes in reported weights may reflect transactions, market-price movements, corporate actions or updated disclosure. It is not a transaction record and does not capture the PIC's complete exposure to each economic group.

economic exposures contained within its listed portfolio. The concentration of the snapshot should not, however, be interpreted as evidence of active concentration without comparing these weights with the relevant market benchmark.

Figure 5: Ten companies make up half of reported listed holdings

Share of reported holdings in the 30 June 2026 snapshot (%). The top five account for 34.13% and the top ten for 5



Source: LSEG via the BER data story, accessed 5 August 2026.
Note: the snapshot covers 131 reported holdings. Constituent filing dates range from 31 December 2024 to 29 July 2026. The data are not transaction records or investment returns.

The snapshot is therefore most useful as an indication of scale and concentration within the disclosed holdings, rather than as evidence of trading behaviour or investment performance.

This distinction also helps place individual controversies in economic perspective. Unlisted investments warrant particularly close scrutiny because their valuations are less transparent, they are less liquid and their developmental objectives make performance harder to benchmark. Their governance risks can therefore be significant even when their portfolio weight is small. Financially, however, they account for only a limited share of the PIC's total assets. The institution's aggregate investment outcome is driven far more by the performance of its large listed-equity and bond portfolios. The appropriate questions consequently differ across the portfolio: listed assets should be assessed primarily against market benchmarks, asset allocation and risk-adjusted returns, while unlisted investments require additional scrutiny of valuation, liquidity, governance and developmental outcomes.

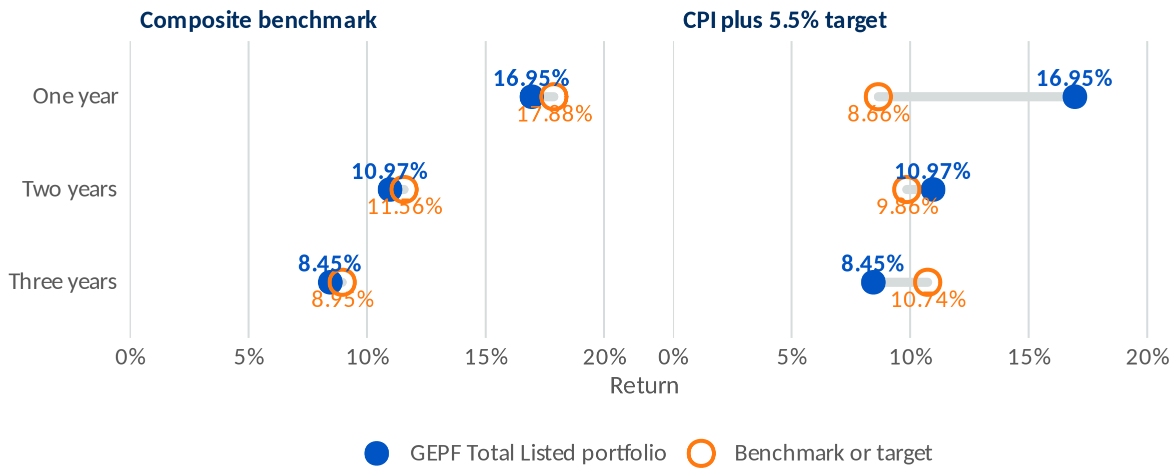
Has it delivered?

Because listed assets dominate the PIC, their performance provides the clearest first test of investment delivery. Even here, however, a large positive return is not sufficient on its own. The GEPF reported an overall investment return of 14.1 per cent for the year to March 2025, based on net investment income of R379 billion. Its investment portfolio grew from R2.38 trillion to R2.69 trillion, while the fund reported about 1.27 million active members and 565,221 pensioners and beneficiaries. These are GEPF-wide results and describe the performance of the fund as a whole. They are not the same measure as the return earned on the GEPF's PIC-managed listed portfolio.[15]

Figure 6 separates three different tests of that listed portfolio. The first is the return itself. The second is performance relative to the composite benchmark, which asks whether the portfolio kept pace with the market exposure implied by its mandate. The third is performance relative to the CPI plus 5.5 per cent target, which asks whether returns were sufficient to meet the fund's longer-term real-return objective. Over one year, the listed portfolio returned 16.95 per cent, compared with 17.88 per cent for the composite benchmark and 8.66 per cent for the CPI plus 5.5 per cent target. Over two years, annualised, it returned 10.97 per cent, against 11.56 per cent and 9.86 per cent respectively. Over three years, annualised, it returned 8.45 per cent, compared with 8.95 per cent for the composite benchmark and 10.74 per cent for the inflation-linked target.[16]

Figure 6: Strong returns, but benchmark shortfalls

GEPF Total Listed portfolio versus two yardsticks (%)



Source: PIC Integrated Annual Report 2025, PDF p. 89.
Note: two-year and three-year values are annualised.
The source's geometric relative-return series is not recalculated here.

The distinction between these tests matters. A positive nominal return can still represent relative underperformance if comparable market exposure would have produced more. Conversely, lagging a market benchmark does not necessarily mean that the portfolio failed to earn an adequate real return for the fund. In the latest year, returns were strong in absolute terms and comfortably exceeded the inflation-linked target, but remained below the composite benchmark. The two-year result showed a similar pattern. Over three years, however, the portfolio fell short of both yardsticks. The record therefore supports neither a failure narrative nor an unqualified success story. Recent returns added substantially to asset values, but the benchmark results indicate that some return was left on the table relative to the market comparison.[3]

Management reports that the listed portfolio was moving towards a new strategic allocation scheduled for completion by 2027. During that transition, the portfolio developed an unintended cash overweight and local-equity underweight, while ownership restrictions in the financial sector also constrained positioning. These factors provide context for the benchmark shortfall because a portfolio that holds more cash and less equity than intended will tend to lag when equity markets perform strongly. They do not, however, make the benchmark irrelevant. The purpose of the benchmark is precisely to distinguish the return generated by the market and strategic asset allocation from the value added or lost through the manager's implementation decisions and constraints.[17]

The GEPF's funding position provides a separate and more direct lens on benefit security. It reported a funding level of 119 per cent in 2024/25, meaning that it held approximately R1.19 in actuarial assets

[3] The PIC calculates relative performance geometrically. The reported shortfalls therefore cannot be reconstructed as simple percentage-point differences between the displayed returns.

for every R1 of liabilities measured under the valuation assumptions.[4] This is not an investment return and the 19 per cent margin is not spare cash. It is a measure of the relationship between the assets accumulated by the fund and the present value of the benefits it expects to pay. A ratio above 100 per cent therefore provides a buffer against adverse investment outcomes or changes in liabilities, although the ratio can move as asset values and actuarial assumptions change.[18]

119%

GEPF funding level

At 119%, the GEPF reported R1.19 in actuarial assets for every R1 of promised pension liabilities. That 19-cent buffer helps the fund absorb market shocks and changes in its obligations. It is not a yearly return or spare cash, and it moves with asset values and actuarial assumptions.[19]

For members, these measures need to be read together. The defined-benefit structure means that an individual's pension does not rise and fall one-for-one with the value of the investment portfolio. Investment performance nevertheless matters over time because sustained underperformance would weaken the funding ratio and eventually require adjustment elsewhere, whether through higher contributions, lower financial buffers or greater pressure on the fund's balance sheet. The relevant economic test is therefore long term and mandate specific: whether the portfolio earns sufficient returns, relative to the risks taken, to keep promised benefits adequately funded. That test becomes more demanding when part of the mandate is also expected to deliver developmental outcomes alongside financial returns.

Investing for more than returns

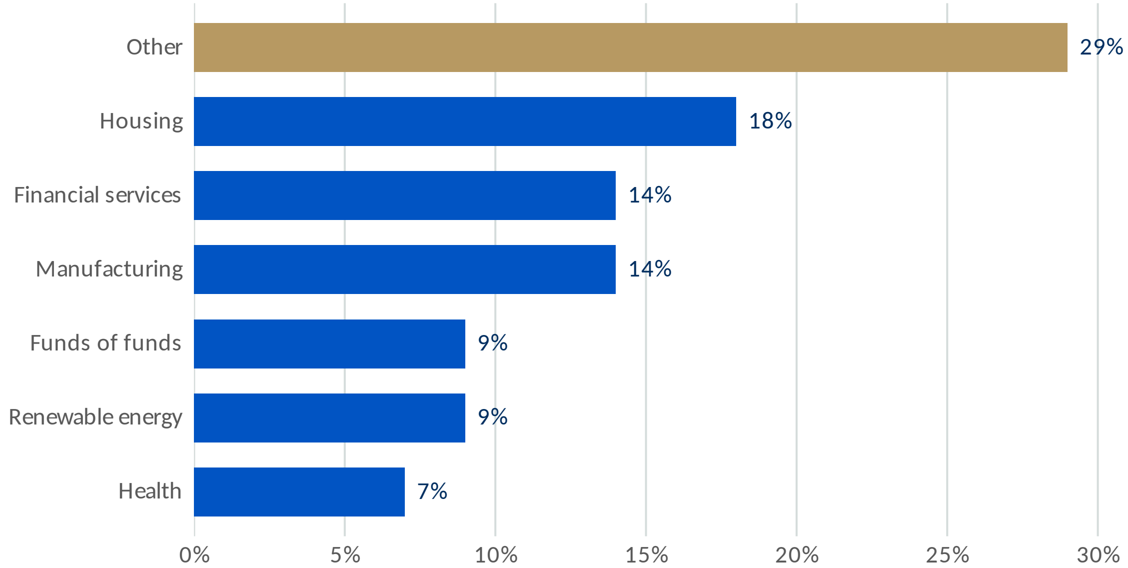
The PIC's Isibaya and other private-market activities give the investment mandate a second dimension. Alongside financial returns, they direct long-term capital towards areas such as housing, manufacturing, financial inclusion, renewable energy, health and infrastructure. Economically, such investments can help finance projects for which conventional market funding is scarce, expensive or too short term, while potentially generating wider benefits through productive capacity, employment and infrastructure. Private assets may also diversify a portfolio because their return drivers differ from those of listed shares and bonds. These potential benefits come with costs. Capital is typically tied up for longer, valuations are less observable and investments are harder to sell quickly. The financial hurdle therefore remains important: developmental objectives do not remove the opportunity cost of investing pension capital that could have been deployed elsewhere.

Figure 7 shows how this developmental capital was allocated. At March 2025, committed capital in the Isibaya Fund exceeded R100 billion across 145 portfolio companies on behalf of the GEPF, UIF and Compensation Commissioner Fund. Housing accounted for 18 per cent of the reported sector allocation, manufacturing and financial services each for 14 per cent, renewable energy and funds of funds each for 9 per cent, and health for 7 per cent. A broad other category accounted for the remaining 29 per cent.[20]

[4]The reported funding level rose from approximately 72% in 1996 to 100% in 2014, 108.3% in 2018, 110.1% in 2021 and 119% at the March 2024 statutory valuation. GEPF policy requires a level above 90%.

Figure 7: Isibaya capital spans housing, industry and services

Unlisted investments portfolio sector split at 31 March 2025 (%)



Source: PIC Integrated Annual Report 2025, PDF p. 102.

The scale of committed capital should be interpreted carefully. A commitment is not necessarily the same as cash already invested, since private-market capital is often drawn and deployed over time as suitable investments are identified. What matters economically is therefore not only how much capital has been committed, but how much has been deployed, how long it has been invested, what returns it has generated and what risks were taken to earn them.

That distinction is particularly important when assessing performance. For the R25 billion allocation received from the GEPF on 1 April 2022, the PIC reported that R19.2 billion had been allocated by March 2025. It also reported an internal rate of return above 15 per cent since April 2022, compared with a weighted average benchmark of about 9 per cent.[5][21] On its face, that is encouraging evidence that the newer allocation has exceeded its stated comparison. It is nevertheless an early result for private-market assets. A strong return over the first few years should therefore be treated as evidence on that particular investment vintage rather than as a verdict on the long-run performance of Isibaya as a whole.

The longer record is less favourable. A 2026 parliamentary reply reported an internal rate of return of 4.25 per cent for the GEPF Isibaya portfolio since inception, including realised investments. It separately reported unlisted-property returns of 18.0 per cent over one year, 3.6 per cent annualised over three years and 2.2 per cent over five years.[22]

Measurement is consequently part of the governance problem rather than a technical afterthought. The Auditor-General found that the GEPF hurdle indicator for unlisted investments was not clearly defined because the planning document neither explained the calculation nor specified which of the GEPF's unlisted portfolios it applied to.[23] Without a clearly specified benchmark, it becomes difficult to determine whether an apparently positive return represents adequate compensation for the risk, illiquidity and duration of the investment.

[5] Internal rate of return is the discount rate that equates an investment's cash inflows and outflows. It is sensitive to the timing of those cash flows and, for investments not yet sold, to the valuations assigned to unrealised assets.

Governance after Mpati

President Cyril Ramaphosa appointed the Mpati Commission on 4 October 2018 to investigate allegations of impropriety at the PIC. Published in March 2020, its report did more than examine a series of disputed transactions, it identified weaknesses in the institutional machinery through which investment decisions were made, challenged and overseen.[24]

Its central finding was that authority had become too concentrated. The Commission described the organisation as "highly concentrated at the top", with final investment authority residing with the chief executive and substantial organisational authority with the chief financial officer. It also identified confusion between the roles of the board and management, inadequate risk oversight, weak record-keeping and shortcomings in the management of conflicts.[25] Concentrated decision-making reduces the number of independent checks on how capital is allocated, while blurred responsibilities make it harder to identify who was accountable when an investment breaches its mandate or performs poorly. At the PIC's scale, weaknesses in those controls can translate into substantial financial consequences.

The recommendations followed that diagnosis. They sought to decentralise investment decisions into specialist units, refocus the board on oversight, separate audit and risk functions and formalise requirements concerning skills and conflicts of interest. They also called for an independent non-executive chair with experience in pensions, finance, markets and governance, together with stronger engagement between the PIC and clients such as the GEPF.[26] The underlying principle was separation of roles. *Clients determine what the capital is intended to achieve and the risks they are willing to accept*, *investment professionals decide how to implement those mandates*, *control functions challenge those decisions and the board oversees the system*. Clear boundaries make it harder for investment authority and oversight authority to become concentrated in the same hands.

The PIC reports that extensive reforms followed. A revised investment-governance model approved on 4 April 2024 introduced an overarching Group Investment Committee and specialist subcommittees, adding another layer of review to the investment process.[27] Large institutional investors inevitably delegate investment decisions to professionals with specialised information and expertise. Governance determines the limits of that delegation and creates mechanisms through which decisions can be challenged before capital is committed. Or that is the idea.

243 recommendations implemented, PIC reports

The PIC says it had implemented every Mpati recommendation assigned to it by 31 March 2025. That is an important milestone, not independent proof that each reform works. Shareholder verification and some historical matters remained. The practical test is whether the new controls protect client mandates, improve investment decisions and hold up when pressure arrives.[28]

The distinction between formal reform and effective implementation is important. A governance framework can exist on paper without consistently shaping behaviour. The 2025 audit record provides one test. The Auditor-General found that the financial statements presented fairly in all material respects, while separately reporting material findings on performance information and compliance. These included the unclear unlisted-investment hurdle, material misstatements in the submitted performance report, failures to prevent irregular and fruitless expenditure, breaches of investment policies and a transaction executed without prior client approval.[29] For an asset manager, policy breaches and transactions outside agreed client approval processes matter because they weaken the mechanism through which the asset owner controls the risks taken with its capital.

International experience provides a useful benchmark for this institutional boundary. The six funds presented in the international-perspective supplement at the end of the report differ substantially in purpose, legal structure and political setting, so none provides a ready-made model for South Africa. The common principle is narrower: (1) the state or asset owner specifies the mandate and risk appetite, (2) professional investors make portfolio decisions within those limits, and (3) an oversight structure evaluates both compliance and performance. This separation helps distinguish legitimate public objectives from intervention in individual investment decisions, while also making it clearer who should be held accountable for outcomes.

The events of July 2026 became a live test of whether those boundaries would hold under pressure. The Financial Sector Conduct Authority (FSCA) opened an investigation after raising concerns about governance, leadership stability and transparency at the PIC. This followed the precautionary suspension of chief executive Patrick Dlamini after a whistleblower report. The PIC stated that the suspension was intended to allow an independent investigation and did not constitute a finding of wrongdoing. The allegations remain allegations.[30]

Board resignations, including that of the chair, added to the institutional uncertainty. The GEPF said it was concerned about any effect on decisions involving its investments and sought assurances from the Minister of Finance and the PIC. At the same time, it reported that pension and benefit payments had not been affected. Its statement also emphasised the investment-management agreement that sets the GEPF's objectives, risk parameters and performance expectations.[31]

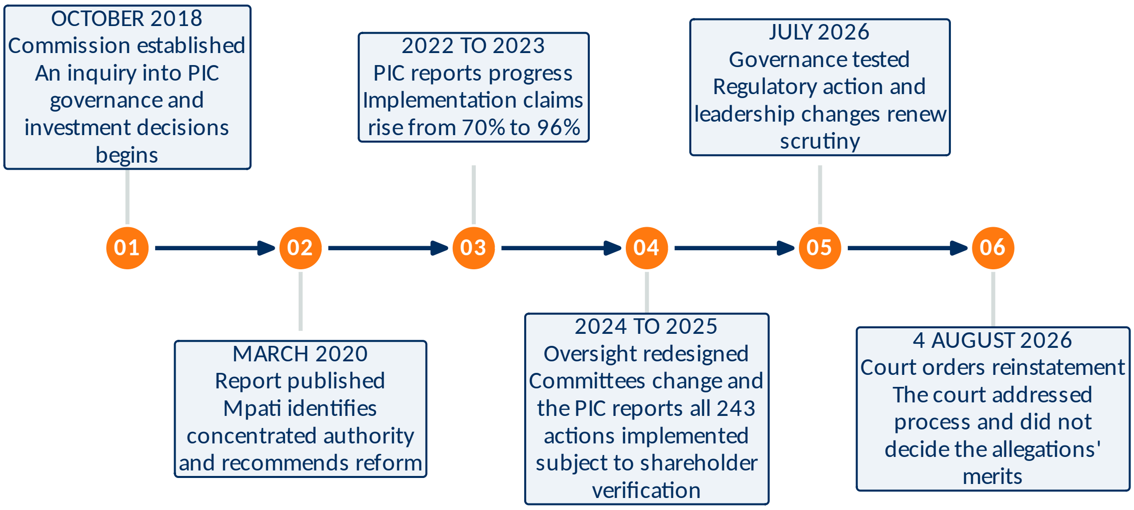
Benefit payments are an immediate obligation of the pension fund, while governance problems at the asset manager affect the quality and accountability of investment decisions whose consequences may emerge over a much longer horizon. The absence of an immediate interruption to pension payments therefore does not imply that investment-governance concerns are economically unimportant.

Cabinet appointed new non-executive directors on 29 July, with Seiso Mohai, Deputy Minister of Planning, Monitoring and Evaluation, as chair. It said the appointments were intended to address current governance challenges.[32] Mpati had recommended an independent non-executive chair with specified expertise and had specifically opposed the convention that the Deputy Minister of Finance serve as chair.[33]

On 4 August, the High Court set Dlamini's suspension aside and ordered his reinstatement. The ruling concerned the process followed in suspending him. It did not determine whether the underlying allegations were true or false.[34]

Figure 8: From Mpati to the 2026 governance test

Selected milestones in the PIC's governance reform process, October 2018 to August 2026



Source: Mpati Commission report; PIC Integrated Annual Reports 2022 to 2025; official FSCA, Cabinet and GEPF statements; Reuters, 4 August 2026.

Figure 8 places the events of 2026 within the longer reform sequence. The test after Mpati is therefore not how many recommendations have formally been implemented, but whether the resulting institutions change behaviour when difficult decisions arise. Can whistleblowers raise concerns without compromising due process? Can investment professionals make decisions within agreed mandates without improper external direction? Can risk, compliance and other control functions challenge transactions before capital is committed? Can the board oversee management without becoming an alternative investment committee? And can the shareholder and major clients demand accountability without taking over investment execution?

For an institution managing more than R3 trillion, governance is therefore part of investment performance rather than separate from it. It protects the decision-making process through which long-term capital is allocated and, ultimately, the interests of the clients whose money the PIC manages.

The big picture

There are two PIC stories, and neither is complete without the other. The *first* is an investment story about a R3+ trillion institution whose decisions extend far beyond pension administration. By allocating public-sector savings across equities, bonds, property and private markets, the PIC channels long-term capital to companies and the state while seeking returns sufficient to support pension and other client liabilities. Most of the portfolio remains in listed South African equities and bonds, which means that broad market movements, interest rates, fiscal conditions and asset allocation matter far more to the aggregate result than any single unlisted transaction.

The recent record is mixed in a way that headline numbers can obscure. Absolute returns have been strong and the GEPF remained 119 per cent funded, indicating that actuarial assets continued to exceed measured liabilities. At the same time, the PIC-managed listed portfolio lagged its composite benchmark across the periods shown. At this scale, even a modest and persistent performance gap can have a large Rand consequence. The relevant question is therefore not simply whether the portfolio made money, but whether it earned sufficient returns relative to the risks taken, the opportunities available and the objectives set by its clients.

Developmental investment introduces a different but related test. Private-market capital can finance projects that conventional markets may undersupply and can generate economic benefits not fully reflected in short-term market prices. But those objectives do not remove the cost of capital or the need for financial discipline. Returns must still compensate for risk, illiquidity and the opportunity cost of investing elsewhere, while developmental outcomes should be defined and measured separately.

The *second* PIC story is about governance, and it follows directly from the first. At the scale at which the PIC operates, governance is not an internal compliance issue. It determines who sets risk, who may allocate capital, who challenges a proposed investment and who is accountable when outcomes disappoint. The Mpati Commission's reforms aimed at addressing concentrated authority and blurred responsibilities. And although it was reported that all recommendations were taken to heart and implemented, it does not establish whether those structures constrain behaviour when pressure arrives.

The recent turmoil has not disrupted pension and benefit payments, and the court ruling on Patrick Dlamini's suspension should not be interpreted as a finding on the unresolved allegations. Those are important distinctions, but they should not distract from the longer-term issue. The PIC's scale means that poor stewardship can impose substantial costs, while sound stewardship can supply patient capital and affect the lives of millions of South Africans on a scale few institutions can match.

The big *PIC*-ture is therefore not simply where South Africa's pension trillions are invested, it is whether one of the country's largest pools of long-term capital can earn adequate risk-adjusted returns, support clearly defined developmental objectives and maintain governance strong enough to preserve the trust on which both depend, and ordinary South Africans rely.

INTERNATIONAL PERSPECTIVE · PUBLIC-FUND COMPARATORS

Independence works best when responsibilities are clearly separated

These institutions are governance comparators, not templates. Their mandates, legal frameworks and political systems differ from South Africa’s, but each makes the boundary between government, asset owner, board and investment manager unusually clear.

CANADA · CPP INVESTMENTS

Insulate investment decisions from political direction.

CPP Investments operates at arm’s length from federal and provincial governments. Its investment-only mandate, independent professional board and statutory accountability framework insulate portfolio choices from political direction.

APPLICATION TO THE PIC

Operational independence should extend beyond the chair. The law and governance framework should prevent political office-bearers or shareholder representatives from directing individual investments while preserving public scrutiny.

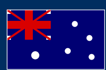
AUSTRALIA · FUTURE FUND

Put government objectives in the mandate, not in individual deals.

Government sets the Future Fund’s objectives through its investment mandate. The Board of Guardians retains responsibility for portfolio design and individual investment decisions, subject to the mandate’s return objective and risk settings.

APPLICATION TO THE PIC

Transformation, infrastructure and developmental objectives should be expressed transparently through client mandates and risk limits, rather than through political involvement in individual transactions.



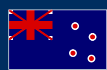
NEW ZEALAND · NZ SUPER FUND

Make management value added measurable.

The Guardians’ Board sets a transparent Reference Portfolio against which the actual portfolio and the value added by active investment decisions can be assessed. The fund and its governance are also subject to recurring review.

APPLICATION TO THE PIC

Public reference portfolios could distinguish returns created by client asset allocation from value added or lost through PIC execution.



Sources: CPP Investments mandate and independence framework[35]*; Future Fund 2024/25 Year in Review*[36]*; NZ Super Fund Reference Portfolio and 2025 annual report*[37][38].

NORWAY · GOVERNMENT PENSION FUND GLOBAL

Separate mandate-setting from investment execution.

Norway's Ministry of Finance sets the management mandate. Norges Bank is responsible for management, while operational investment decisions are delegated through defined mandates and constraints.

APPLICATION TO THE PIC

Client, depositor, board and management responsibilities should be similarly explicit. Clients set mandates, governance bodies oversee them and investment professionals execute them.

IRELAND · IRELAND STRATEGIC INVESTMENT FUND

Make developmental objectives commercially testable.

ISIF's discretionary portfolio has a double-bottom-line mandate. It must invest commercially while supporting economic activity and employment. Investments made under government direction are separately identified.

APPLICATION TO THE PIC

Developmental investments should have explicit commercial-return and impact requirements. Investments directed for public-policy reasons should be transparently distinguished from independently selected investments.

JAPAN · GOVERNMENT PENSION INVESTMENT FUND

Publish the allocation before judging the manager.

GPIF publishes a Policy Asset Mix with target allocations and permitted deviation ranges. It also identifies benchmarks used to assess portfolio and asset-class performance.

APPLICATION TO THE PIC

For major PIC mandates, publishing strategic allocations, permitted ranges and benchmarks would show what the client decided and what the PIC was responsible for delivering.

Sources: Norges Bank Investment Management governance framework[39]*; Ireland Strategic Investment Fund mandate*[40]*; Government Pension Investment Fund policy asset mix and investment principles*[41,42].

Notes and sources

The publication date and evidence cut-off are 12 August 2026. Annual-report page references distinguish PDF page numbers from printed page numbers where this aids verification. Interactive holdings are reported observations and may combine constituent filings from different dates.

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