## DPE Stationery:DPE logo.jpg INFORMATION MEMORANDUM

**TO : Mogokare Richard Seleke**

**DIRECTOR-GENERAL**

 **FROM : Justin De Allende**

 **PLO**

**RE :** **PARLIAMENTARY QUESTION NO 3057**

**DATE : 23 October 2017**

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To provide the Minister with a response to Parliamentary Question Number 3057

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| **COVER MEMO AND THE PACKAGING OF PQ BY:****Department of Public Enterprises**  |
| **……………………………….****Act. Deputy Director-General: TE** **Date:** | **COMMENTS:****………………………………………..** |
| **…………………………………**Mogokare Richard Seleke**Director-General****Date:** | **APPROVED/DECLINED/COMMENTS****…………………………………………..****…………………………………………..****………………………………………….** |



**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 3057**

**DATE OF PUBLICATION: 13 OCTOBER 2017**

**3057.    Adv A de W Alberts (FF Plus) to ask the Minister of Public Enterprises:**

(1)      With reference to the appointment of a certain company (name furnished) as investment adviser to the Transnet Second Defined Benefit Fund (TSDBF), (a) for what reason(s) the specified company paid a certain company (name furnished), (b) what services were rendered in this regard and (c) what total amount was paid;

(2)      Why the TSDBF’s board of trustees gave a blank mandate to the specified company as investment adviser to make investments according to its best judgement on behalf of the TSDBF without consulting the board of trustees;

(3)      Whether the trustees were authorised to take the specified decision to give such mandate to the company; if not, whether she has found that their deicision was *ultra vires*; if so, on what legal grounds they could depend in order to take this decision;

(4)      What are the names of the trustees who (a) voted in favour of the appointment of the company as investment adviser and (b)(i) are currently and/or (ii) were previously directors on the Transnet Board;

(5)      In what respect the Transnet Board played a role in having the company appointed as the investment advisor of the TSDBF?    NW3373E

**Reply:**

The TSDBF is a separate legal entity and the following answers were obtained from the TSDBF Principal Officer:

1(a) TSDBF had a fund management contract with Regiments as the investment advisor of the TSDBF and no contract with Trillian.  The question on the reasons for Regiments paying Trillian should be addressed to Regiments.

(b) Please refer to (a) above

(c) Regiments effected about R228 million transfer out of the Funds bank account. For the amount paid to Trillian by Regiments, please contact Regiments

2 The TSDBF Board of Trustees did not give a blank mandate to Regiments to make investments according to its best judgement on behalf of TSDBF without consulting the Board of Trustees.

The appointment and investment mandate was regulated and governed in terms of a legal investment mandate agreement as is standard practice.

3 The Trustees acted within the statutory authority vested in terms of the Rules of the Transnet Second Defined Benefit Fund.

4(a) It was a unanimous decision of the board of Trustees.

 (b)(i) Brett Stagman; Yasmina Forbes;

(ii) Ellen Tshabalala; Herman Gazendam; Yasmina Forbes and Stanley Shane.

5 The Transnet Board played no role in having Regiments appointed. The members of the TSDBF board of trustees who were/are also directors of the Transnet Board acted in their capacity as the TSDBF board of trustees in appointing Regiments as the investment advisor of the TSDBF. NW3373E

**Mogokare Richard Seleke Lynne Brown, MP**

**Director-General Minister of Public Enterprises**

**Date: Date:**