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UCT response to RMF statement on Judge Farlam

Please cite Vice-Chancellor Dr Max Price

The killings at Marikana in 2012 remain a horrific event in our post-Apartheid history, marking the failure of our society to address inequality, workers' living conditions, corporate accountability, labour and union relations, lack of capacity in public order policing, and, worst of all, actions by police authorities which aggravated the violence of the situation.

Students at the University of Cape Town are right to remind us all of these failures and to force us to examine how all of us are linked to the Marikana tragedy – whether as shareholders in Lonmin and other mining companies, as voters who fail to hold government accountable for the actions of our police, or as citizens insufficiently engaged with addressing inequality in our daily lives and employment practices.

We applaud the UCT students and staff who, through marches, assemblies and protests on campus this week, are holding a mirror up to us to ensure we do not forget Marikana and that it is an ongoing festering sore. It is right for this younger generation to be demanding responses to these questions. We do not, however, condone graffiti vandalism, and the campaign is weakened by false claims which are only intended to inflame.

In that regard, we need to present the facts regarding allegations that have been made against Judge Ian Farlam, viz. that he had a conflict of interest with respect to Lonmin because as a UCT Council member, he would have been accountable for UCT's investments in Lonmin.

It is important to understand the three types of investment funds related to UCT.

- The UCT Retirement Fund (UCTRF) is a separate legal entity from the university under the Pension Funds Act. The UCTRF trustees are responsible for the UCTRF's investments. The trustees are not accountable to the University Council but to individual members of the fund. Judge Farlam is not one of these trustees. The holdings in UCTRF never come before Council for discussion so he would not have

seen any information about them in his capacity as Council member.

- The UCT Foundation Trust (not the UCT Council) is investing, stewarding and distributing the University's endowments. It is not accountable to Council for this, as it is a separate trust. The investment policy is determined by the Trustees. There is no connection between Judge Farlam and the UCT Foundation Trust. As an aside, Lonmin shares form 0.13% of the endowment portfolio.
- UCT itself, as a legal entity, does manage its own investments for which the University Council is ultimately responsible. The UCT Council delegates these portfolio investments to an investment management company. The university has a small equity portfolio (managed by Allan Gray) which contains no Lonmin shares.

Judge Farlam, as a member of Council and of the audit committee, does not have any oversight or knowledge of any UCT linked funds that are invested in Lonmin. He therefore could not face any conflict of interest with regards to investments made by the university. Judge Farlam remains a valued and respected member of Council.

ENDS

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