

ENFORCEABLE UNDERTAKING IN TERMS OF SECTION 151(1) OF THE FINANCIAL SECTOR REGULATION ACT, 2017

Preamble

1. The Financial Sector Conduct Authority ("the FSCA"), established in terms of Section 56 of the Financial Sector Regulation Act, No. 9 of 2017 ("the FSR Act"), is a financial sector regulator as defined in the FSR Act, whose objectives are to enhance and support the efficiency and integrity of the financial markets; protect financial customers and assist in maintaining financial stability.
2. The FSCA has investigated an alleged breach relating to Tresor Sanlam Collective Investment Equity Fund ("the Fund"). Pursuant to the investigation, the FSCA communicated its intention to take regulatory action against Sanlam Collective Investments (RF) (Pty) Limited ("Sanlam").
3. Sanlam has agreed to give an enforceable undertaking, in terms of Section 151 of the FSR Act.

Facts relevant to the enforceable undertaking

4. The Fund breached Board Notice 90 of 2014 ("BN 90") paragraph 3(1)(a)(i) (bb), by investing or having more than 10% exposure in Naspers shares.
5. The benchmark disclosed on the Minimum Disclosure Document (MDD), was the ASISA South Africa Equity-General category average classification which is not an Index as defined in BN 90.
6. The respondent failed to observe the trustee's advice to refrain from relying on an inappropriate index.

The Enforceable Undertaking

7. Sanlam hereby undertakes, in terms of section 151(1) and (2) of the FSR Act that it will:
 - 7.1. Ensure that the correct Index as defined in BN90 is disclosed in all marketing material distributed to investors;
 - 7.2. Insert a factual note in its MDD disclosing that the performance of the Fund during 01 December 2017 to 13 November 2020 period was achieved as a result of non-compliance to BN 90. The factual note must be disclosed in three subsequent MDD documents in line with the requirements of Paragraph 9(2) of Board Notice 92 of 2014;
 - 7.3. Ensure that it adheres to its Trustee's advice regarding any non-compliance and Sanlam must immediately engage the Authority in the event of disagreement with the Trustees;

7.4. Will manage the Fund in a responsible manner and within one month from the date of signing this document ensure that all other funds under its management are compliant with applicable provisions, in particular, that all relevant funds it administers utilise an appropriate index as prescribed in BN 90; and

7.5. Will within one month and prior to executing its plan of action, communicate with the Authority how it intends on implementing on this enforceable undertaking.

8. Sanlam acknowledges that they are familiar with the provisions of Section 151(4), that reads as follows:

If a financial institution licensed under a specific financial sector law that gave an enforceable undertaking breaches a term of the undertaking, the responsible authority may suspend or withdraw the licence.

DATED AT ...Cape Town..... ON THIS8th..... DAY OF ...March... 2021

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On behalf of Sanlam Collective Investments (RF) (Pty) Ltd

The aforesaid Enforceable Undertaking is accepted by the Financial Sector Conduct Authority in terms of Section 151(1) of the FSR Act

DATED AT PRETORIA ON THIS ..8... DAY OF...2021 ^{March}

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K.S. Dikokwe
Divisional Executive: Conduct of Business Supervision
For the Financial Sector Conduct Authority