

**Stanlib Collective Investment Schemes (RF) (PTY) Limited (“STANLIB”):  
Enforcement action**

The Financial Services Conduct Authority (“FSCA”) has taken enforcement action against STANLIB for contravention of Paragraph 1(i) of SCHEDULE 1 TO THE COLLECTIVE INVESTMENT SCHEMES CONTROL ACT, 45 OF 2002 (“CISCA”). STANLIB is a registered Manager in accordance with the CISCA.

During an on-site visit conducted by the FSCA’s predecessor, the Financial Services Board, it was found that STANLIB’s Minimum Disclosure Documents (“MDD’s”) relating to the portfolios listed below disclosed the levying of a performance fee, whilst the supplemental deeds of the portfolios did not provide for such a fee to be charged:

- STANLIB Multi-manager SA Equity Fund;
- STANLIB Multi-manager Bond Fund;
- STANLIB Multi-manager Balanced Fund;
- STANLIB Multi-manager Defensive Balanced Fund;
- STANLIB Multi-manager Real Return Fund; and
- STANLIB Multi-manager Absolute Income Fund (“the portfolios”).

It is not permissible for a Manager to charge performance fees that are not stipulated and provided for in the supplemental deeds of the portfolios concerned.

Based on the above, STANLIB provided an enforceable undertaking to the FSCA as contemplated in section 151 of the Financial Sector Regulation Act, No 9 of 2017 (“FSRA”) to:

- repay the performance fees levied by STANLIB in respect of each of the affected portfolios for the period 1 January 2011 to 30 June 2018;
- communicate with all the investors of the affected portfolios informing them of the details of the breach and the remedial action to be undertaken by STANLIB; and
- review its internal control environment and take the necessary action to strengthen it to avoid an occurrence of this nature.

The FSCA imposed an administrative penalty in the amount of R 500 000.00 (five hundred thousand rand) on STANLIB for the contravention. Notwithstanding the penalty imposed, it should be noted that:

- STANLIB accepted responsibility for the contravention;
- STANLIB has been co-operative in its engagement with the FSCA in this matter as from the initial discovery of the contravention during the on-site inspection;
- The performance fees that were charged, despite the contravention, were disclosed to investors in the MDD's which supports STANLIB's submission that it was not its intention to mislead investors.

STANLIB confirmed to the FSCA that the investor communications were dispatched on 10 December 2018 and all fees levied on the affected portfolios were paid back to the portfolios by 30 November 2018.

ENDS

Enquiries: Financial Sector Conduct Authority  
Email address: [Communications@fsca.co.za](mailto:Communications@fsca.co.za)  
Telephone: 0800 203 722

**Transitional Management Committee:**

AM Sithole (Commissioner) DP Tshidi CD da Silva JA Boyd MM du Toit LP Kekana K Gibson OB Makhubela P Mogase