



Financial Sector  
Conduct Authority

## **FSCA CIS NOTICE 5 OF 2020**

### **COLLECTIVE INVESTMENT SCHEMES CONTROL ACT, 2002**

### **EXEMPTION OF ALLAN GRAY UNIT TRUST MANAGEMENT (RF) (PTY) LTD, FROM CERTAIN PROVISIONS OF CONDUCT STANDARD ON NET ASSET VALUATION CALCULATION AND PRICING FOR COLLECTIVE INVESTMENT SCHEME PORTFOLIOS**

The Financial Sector Conduct Authority under section 22 of the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002), read with section 281(3) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) hereby exempt Allan Gray Unit Trust Management (RF) (Pty) Ltd , from Paragraph 9(14) of the Conduct Standard on Net Asset Valuation Calculation and Pricing for Collective Investment Scheme Portfolios, published on the Financial Sector Conduct Authority's website dated 19 May 2020 to the extent set out in the Schedule.

A handwritten signature in black ink, appearing to be 'Kedibone Dikokwe', written in a cursive style.

**KEDIBONE DIKOKWE**

**FOR THE FINANCIAL SECTOR CONDUCT AUTHORITY**

**Date of publication: 02 December 2020**

## SCHEDULE

### 1. Definitions

In this Schedule, “**the Act**” means the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002);

“**FSR Act**” means the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017);

“**NAV Standard**” means the FSCA Conduct Standard 1 of 2020 on Net Asset Valuation Calculation and Pricing for Collective Investment Scheme Portfolios issued in terms of section 106(1) of the Financial Sector Regulation Act and published on 19 May 2020;

“**Allan Gray**” means Allan Gray Unit Trust Management (RF) (Pty) Ltd; and

“**AGMF**” means Allan Gray Money Market Fund as approved in terms of the Act.

### 2. Background and purpose

- (1) On 19 May 2020, the FSCA published the final NAV Standard.
- (2) Paragraph 9(14) of the NAV Standard requires, where a money market portfolio maintains a constant NAV price, that all instructions received prior to the point in time on each valuation date by which offers to purchase or repurchase participatory interest must be received as stipulated in the deed, must be included in the calculation of the annual effective yield on that pricing day.
- (3) Paragraph 14 of the NAV Standard determines the coming into operation of the NAV Standard as six months after the date of publication.
- (4) Allan Gray has applied for an exemption from paragraph 9(14) of the NAV Standard for a period that would permit it to implement the necessary changes to its electronic systems and the deed to enable compliance with paragraph 9(14) of the NAV Standard by the AGMF.

### 3. The extent of the exemption and conditions

- (1) Allan Gray is hereby exempted from paragraph 9(14) of the NAV Standard in respect of the AGMF, which exemption is granted on the following conditions:
  - (a) Allan Gray must complete the required changes to the deed before 31 March 2021 and implement all the necessary changes to the electronic system to ensure compliance with the NAV standard;
  - (b) the necessary changes to its electronic systems must be completed by 30 April 2021;
  - (c) Allan Gray must provide the FSCA with regular progress reports on the implementation of the changes to the electronic systems and the required changes to the deed in order to be compliant with paragraph 9(14) of the NAV standard. These progress reports

must be submitted to the FSCA monthly within seven business days after month end. The first progress report is due to the FSCA on 12 January 2021, with the last report due on 30 April 2021; and

- (d) the exemption granted by the FSCA lapses upon failure to comply with these conditions.

#### **4. Short title and commencement**

This Notice is called the Exemption of Allan Gray from certain provisions of the NAV Standard and comes into operation on the date of publication on the website of the FSCA.