

FSCA Press Release

31 March 2021

Sanlam Collective Investments (RF) (Pty) Ltd signs an Enforceable Undertaking with FSCA

The Financial Sector Conduct Authority (FSCA) has taken regulatory action against Sanlam Collective Investments (RF) (Pty) Ltd (Sanlam). This follows the findings of the FSCA's investigation into Sanlam and its administered fund, the Tresor Sanlam Collective Investment Equity Fund (the Fund).

On 16 May 2019, the FSCA investigated Sanlam and the Fund for a suspected breach of Board Notice 90 of 2014 (BN90). The FSCA found that the Fund administered by Sanlam failed to comply with BN 90, specifically that the Fund had breached paragraph 3(1)(a)(i)(bb), by investing in excess of the 10% allowable limit in a listed security by referencing an incorrect benchmark that is not an index as defined in BN90.

On 20 December 2020, the FSCA notified Sanlam of its intention to enforce regulatory action. After receiving representations from Sanlam, the FSCA successfully reached an agreement with Sanlam; and Sanlam entered into an enforceable undertaking with the FSCA which has been signed and accepted by both parties.

In terms of the enforceable undertaking, Sanlam has agreed to:

- Insert a factual note in its Minimum Disclosure Document disclosing that the performance of the Fund during 1 December 2017 to 13 November 2020 was achieved due to non-compliance of BN 90.
- Ensure that the correct index as defined in BN 90 is disclosed in all marketing material distributed to investors

- Ensure that all funds under its management are compliant with applicable provisions, in particular, that all relevant funds it administer utilise an appropriate index as prescribed in BN 90.

A copy of the enforceable undertaking has been published and is available on the FSCA's website [here](#) as required in terms of section 151(5) of the Financial Sector Regulation Act No 9 of 2017.

The Authority is satisfied with the outcome on this matter and continues to execute its mandate of ensuring an efficient financial sector where customers are informed and treated fairly.

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