

BOARD NOTICE 225 OF 2015**FINANCIAL SERVICES BOARD****COLLECTIVE INVESTMENT SCHEMES CONTROL ACT, 2002****EXEMPTION OF A MANAGER OF A COLLECTIVE INVESTMENT SCHEME IN
SECURITIES FROM CERTAIN PROVISIONS OF THE COLLECTIVE
INVESTMENT SCHEMES CONTROL ACT, 2002**

I, Dube P Tshidi, Registrar of Collective Investment Schemes, hereby, in terms of section 22(a) of the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002), exempt Prescient Management Company (RF)(Pty) Ltd, a manager of a collective investment scheme in securities, from certain provisions of the Act to the extent, and subject to, the conditions set out in the Schedule.


D P TSHIDI**REGISTRAR OF COLLECTIVE INVESTMENT SCHEMES**

SCHEDULE

1. Definitions

In this Schedule any word or expression to which a meaning is assigned in the Act shall have that meaning, unless the context otherwise indicates or the term is defined in this Schedule.

“Act” means the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002), as amended, and includes a regulation, notice, rule and any other measure having the force of law made under this Act;

“Feeder Fund” means the Prescient Africa Equity Feeder Fund;

“Manager” means Prescient Management Company (RF)(Pty) Ltd, a company registered under the Companies Act, which is authorised as a manager in accordance with the Act;

“Notice” means Board Notice 90 of 2014 published on 8 August 2014 under *Government Gazette* Number 37895.

2. Background and purpose

(1) The Prescient Africa Equity Fund was established in terms of a Deed entered into between the Manager and Nedbank Ltd on 3 March 2010 as a portfolio under the collective investment scheme known as the Prescient Unit Trust Scheme.

(2) On 24 July 2015 and on application by the Manager, the Registrar approved the conversion of the Prescient Africa Equity Fund from a standard portfolio into a feeder fund, named the Prescient Africa Equity Feeder Fund.

(3) In terms of the Notice a feeder fund must consist of assets in liquid form and participatory interests in a single portfolio of a collective investment scheme in securities.

(4) On approval of the conversion, the Manager was required to effect the conversion within 30 days of the approval, including ensuring that the Feeder Fund is compliant with the provisions of the Notice.

(5) As a consequence of the conversion the Feeder Fund would include assets in liquid form and participatory interests in a fund domiciled in Ireland. In order for the conversion to be completed it is necessary to transfer assets which require the

opening of a local custody account where the assets are located.

(6) Since the approval of the conversion market and currency volatility have increased significantly and the liquidity in African exchanges has declined thus delaying the opening of a local custody account and consequently the necessary transfer of assets.

(7) The Manager has submitted to the Registrar that continuing with the conversion during a period of volatility in the markets may place significant risk on performance and not be in the interests of investors. In the absence of a complete conversion, the Feeder Fund is in breach of the requirements for a feeder fund as defined in the Notice at paragraph 11.

(8) The Manager has indicated that the breach will be resolved and the conversion will be completed in the short term but no later than 31 December 2015.

(9) The Registrar has considered that despite the Feeder Fund being in breach, on a look through basis investors continue to hold the same exposure as they would had the conversion been effected.

(10) The Registrar is satisfied that the exemption will be temporary and is in the public interest.

3. Exemption and conditions

The Manager is exempted from complying with paragraph 11 of the Notice on condition that the:

- (a) Feeder Fund continues to maintain the correct exposure on a look-through basis;
- (b) investors are not impacted by any costs arising from the transfer of assets; and
- (c) Manager uses its best efforts to ensure that the conversion is completed as soon as reasonably possible and provides regular updates as may be agreed with the Registrar regarding progress on the conversion until the conversion has been completed.

4. Commencement

The exemption comes into operation on date of publication and will cease to apply on 31 December 2015.