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FSB

Enquiries:
Our ref: 12/12
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CIRCULAR PF NO. 84

(To all self-administered pension funds)

PENSION FUNDS ACT, 1956 : INVESTMENT IN UNIT TRUST SCHEMES

In order to remove any uncertainty regarding the extent to which a pension fund may invest in the units of a unit trust scheme registered under the Unit Trust Control Act (Act 54 of 1981) and remain within the provisions of regulation 28, the following directions are given :

1. <u>Item 6 of column 1 of the Annexure to Regulation 28</u>

   A fund may invest up to 25% of the aggregate of the fair value of its assets in the units of a single unit trust scheme, as defined under this item provided that the aggregate of the fair value of the assets so invested in the categories or kinds of assets mentioned under this item, shall not exceed 25% of the aggregate fair value of the funds total assets.

2. <u>Item 7 in column 1 of the Annexure to Regulation 28</u>

   A fund may invest up to 75% of the aggregate of the fair value if its assets in the units of a single unit trust scheme, as defined in this item and provided that the aggregate of the fair value of the assets invested in the categories or kinds of assets mentioned under this item, shall not exceed 75% of the aggregate fair value of the assets of the fund.

The aggregate value of the investments referred to in items 6 and 7 shall, expressed as a percentage, not exceed 90% of the aggregate fair value of the assets of the fund.

3. <u>Item 9(e) in Column 1 of the Annexure to Regulation 28</u>

A fund may invest up to 95% of the fair value of its assets in the units of such a unit trust scheme on condition that the underlying assets consists only of assets enumerated in item 9(e) in column 1 of the Annexure to regulation 28.

4. Kindly hand a copy of this Circular to the fund's auditor and valuator (where applicable).

REGISTRAR OF PENSION FUNDS

(Circular PF No.83 was addressed to self-administered pension funds and insurers who underwrite pension funds)

(Afrikaans agterop)