



GUIDANCE NOTE
FINANCIAL SERVICES BOARD
REPUBLIC OF SOUTH AFRICA

COLLECTIVE INVESTMENT SCHEMES CONTROL ACT, 2002
(NO 45 OF 2002)

**GUIDANCE ON THE INTERPRETATION AND APPLICATION OF PARAGRAPH 8(2)(F)
IN RESPECT OF BOARD NOTICE 92 OF 2014**

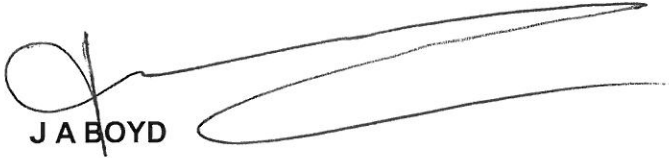
NO. 10A

2 September 2015

1. Board Notice 92 of 2014 (“the Notice” or “Board Notice 92”) was promulgated on 8 August 2014 and came into effect on 1 May 2015. The Notice prescribes the requirements for advertising, marketing, and information disclosure of collective investment schemes and applies to all collective investment schemes.
2. Managers have raised concerns regarding the interpretation of paragraph 8(2)(f) of the Notice in terms of which performance reporting is required on the highest and lowest (actual) annual figures for each period reported on. The Registrar wishes to provide guidance to Managers regarding the application and interpretation of paragraph 8(2)(f).
3. The intention of the requirement is to indicate that returns may vary during a period. In other words, where compound annualised growth returns are shown, this should be accompanied by the highest and lowest annual returns during the relevant periods indicated.
4. Accordingly paragraph 8(2)(f) should be understood to require that when a manager includes past performance in an advertisement or marketing material, the manager must ensure that *the lowest actual annual performance and highest actual annual performance figures within longest of the periods reported on are added, so as to provide an indication of variability.*

As an example: If a manager is reporting the performance of a portfolio for the periods of 3 years, 5 years and 10 years, then the lowest actual annual performance figure and the highest actual annual performance figure within the reported 10 year period must also be indicated, even though these figures may fall within the 3 year or 5 year periods.

5. Alternatively, the compound annualised growth return may be accompanied by a table of annual returns for the period.

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by 'A' and 'BOYD' in a cursive script.

J A BOYD

FOR REGISTRAR OF COLLECTIVE INVESTMENT SCHEMES