

FINANCIAL SERVICES BOARD

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INFORMATION CIRCULAR PF NO. 3 OF 2018

PENSION FUNDS ACT, 1956

REGULATION 28: INCREASED FOREIGN PORTFOLIO INVESTMENT LIMITS

On 21 February 2018, following the 2018 Budget announcement by the Minister of Finance, the South African Reserve Bank ("SARB") has issued Exchange Control Circular No. 7/2018, indicating that the foreign investment limits have been revised upward.

Regulation 28(3)(i) states that the aggregate exposure to foreign assets must not exceed the maximum allowable amount that a fund may invest in foreign assets as determined by the SARB, or such other amount as may be prescribed.

Based on the SARB's Exchange Control Circular No. 7/2018, retirement funds may therefore now acquire foreign exposure up to the revised limit of 30% in respect of foreign portfolio investments, and an additional 10% in respect of foreign portfolio investments in Africa.

A handwritten signature in black ink, appearing to be 'OLANO MAKHUBELA'.

OLANO MAKHUBELA
DEPUTY REGISTRAR OF PENSION FUNDS