

CLARIFICATION NOTE CN500

ON

CODE SERIES F500, STATEMENT 500

GENERAL PRINCIPLE FOR MEASURING SOCIO-ECONOMIC DEVELOPMENT & CONSUMER EDUCATION

THIS NOTE SEEKS TO CLARIFY THE APPLICATION OF THE FUNDISA RETAIL FUND

1. Introduction

The Fundisa Fund (Fundisa) is a unit trust with a special tertiary educational focus. The fund applies a means test of an annual household income of R180 000 or less to the families of beneficiaries, ensuring that Fundisa only supports the needs of children from lower-income families. As this means test applies only to the families of beneficiaries and not investors, higher-income earners are able to invest on behalf of children from lower-income families. The beneficiaries must be South African citizens or permanent residents and can only use this funding at a public tertiary education institution.

2. Fundisa Retail Fund closed to new investors

In February 2018 in consultation with the founding partners, it was decided to close Fundisa to new investors with immediate effect. The reason for capping the fund to new investors followed the confirmation as part of the National Budget, that Government will provide free higher education and training for students with a family income of less than R350 000, and other initiatives such as the Ikusasa Student Financial Aid Programme (ISFAP). These initiatives resulted in there no longer being an incentive for investors to save for the education of children from low-income households.

When the fund was capped ASISA committed to continuing funding the annual bonus payments for the existing beneficiaries provided that investors maintain their contributions to the fund.

3. FSC Bonus Points

The Amended Financial Sector Code (FSC) of 2017, FS 500 – Measurement of the Socio-Economic Development and Consumer Education elements, accommodates bonus point allocations for grant contributions to the Fundisa Retail Fund and other similar initiatives. While the Fundisa Retail Fund is closed to new Investors, it is still open to receive donations to the bonus pool to support the existing investors. The 2 bonus points are can be earned for 0.2% of the Net Profit After Tax contribution.

***For more information on the Fundisa Retail Fund and the contribution process contact ASISA @ info@asisa.org.za.**