



ASISA

ACADEMY

# UCT COLLECTIVE INVESTMENT SCHEMES (CIS) SHORT COURSE

## COURSE BROCHURE

**October 2021**

## **1. THE PURPOSE OF THE COURSE AND ENTRY REQUIREMENTS**

The CIS Short Course was designed in collaboration with a group of industry professionals in order to support staff working in the CIS industry by broadening their understanding of not only their products and market developments but also their own organisations. We believe it also contributes towards service delivery because delegates better understand their clients and industry needs. As with previous courses, delegates from multiple companies and various roles attend the course and, in line with the Academy vision, the majority of the sessions are presented by industry practitioners resulting in a richer learning experience.

The short course format has proved to be very successful, and demand has grown substantially. The Academy regularly runs its short courses in Cape Town and Johannesburg.

## **2. THE ASISA ACADEMY IN PARTNERSHIP WITH SOUTH AFRICAN UNIVERSITIES**

Since 2010 the Academy has been working in partnership with TSIBA Education to pioneer an investment administration stream for students at undergraduate level. Through this successful partnership we have seen the benefit of an independent industry body working with a university to ensure that curricula are relevant and that a pipeline of work-ready graduates is being developed for industry employers. Further partnerships have evolved with a number of other universities including UCT, UJ, UWC, NMU & UKZN.

In 2013 UCT officially endorsed four of the Academy's existing Bootcamps and Programmes as UCT Short Courses which, from 2014, the Academy has run as official non-credit bearing UCT short courses. Delegates on each of these courses will need to pass the assessments to be awarded the UCT certificate. The number and complexity of the assessments varies depending on the course.

### 3. ACADEMY VISION & CONTEXT

The ASISA Academy creates and delivers high quality solutions to meet the skills development needs of South African Savings, Life Assurance and Investment Management organisations. Our learning solutions are informed by and responsive to industry realities and delivered in an academically sound and practitioner-led manner.

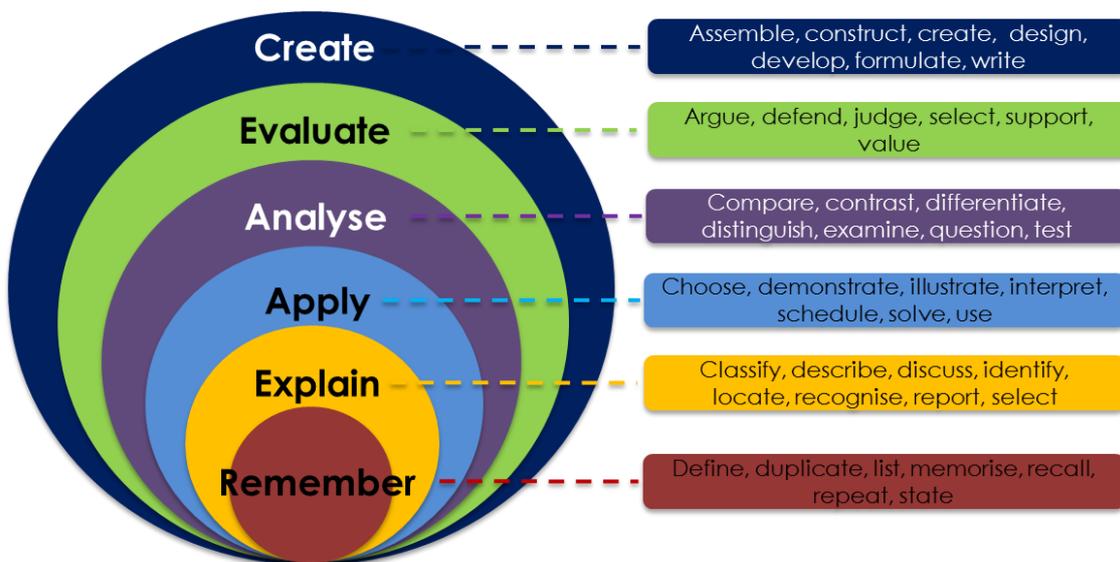
The Academy resulted from the need for a fresh approach to developing savings and investment management skills and achieving broader, more rapid transformation of the industry. The intention is to take delegates' learning beyond that of their tertiary studies using an approach that responds to industry realities and is delivered by industry experts in an academically sound manner.

More than 11,000 people in the Southern African financial services sector have learned with the ASISA Academy since 2008 with over 800 industry presenters keeping the learning rooted in reality.

The Academy has a Level 1 B-BBEE rating.

### 4. ACTIVE LEARNING

We work hard at the ASISA Academy to ensure every learning experience is as interactive as possible. To achieve this, we draw on the expertise of some of the most experienced and specialised professionals in the industry and we limit the size of our groups. The following diagram captures the Academy approach to learning. We aim to achieve the bulk of our learning in the biggest circles. Delegates will be required to bring a laptop or tablet in order to make full use of the online learning environment during the sessions.





## 5. COURSE LEARNING OUTCOMES

The following pages summarise each Learning Area and the Learning Outcomes covered during the course.

### MODULE ONE – THE FINANCIAL SERVICES LANDSCAPE

This module focuses on providing an overview of the Financial Services industry and, more particularly, the Collective Investment Schemes industry to enable delegates to contextualise their working and learning experience.

Learning Area	Learning Outcomes - By the end of the course successful delegates will be able to...
<b>Overview of financial industry products &amp; vehicles</b>	<ul style="list-style-type: none"><li>• Describe the high-level flow of funds in the economy from individuals, corporates and government into savings products.</li><li>• Discuss the need for Financial Industry Regulation focusing on the CIS environment.</li><li>• Describe the investment landscape and identify the areas most relevant to investment managers.</li><li>• List the CIS industry bodies and explain their roles, covering the regulatory and industry supervision and controls as well as the investment environments.</li></ul>
<b>Role players and industry bodies</b>	<ul style="list-style-type: none"><li>• Show the differences between Linked Investment Service Providers, Fund of Funds, Single Fund Managers and Multi Managers.</li><li>• Draw a diagram showing the related parties to a Collective Investment Scheme including a definition of the roles each party fulfils and contractual arrangements between these parties e.g. trustees.</li><li>• Describe the relationships and responsibilities of Trustees &amp; Custodians.</li><li>• Show your understanding of the role of the Media and comment on the significance of industry recognition and awards.</li></ul>
<b>Investment Management</b>	<ul style="list-style-type: none"><li>• Describe the investment management process.</li><li>• Show the fundamental differences in approaches to calculating Investment Performance and that of the Unit Trust performance and also the benchmarks used in each case.</li><li>• Describe the concept of Performance Attribution.</li><li>• Apply the Global Investment Performance Standards (GIPS) to the CIS environment.</li><li>• List the primary reporting requirements including the stakeholders needing to receive reports, the nature of the reports and any mandatory disclosures that are required.</li><li>• Describe the administrative process including the role-players.</li><li>• Explain the characteristics of Outsourcers and White labellers in the investment management retail and institutional space.</li></ul>

**MODULE TWO – THE REGULATORY FRAMEWORK**

<b>Learning Area</b>	<b>Learning Outcomes</b> - By the end of the course successful delegates will be able to...
<b>The role of the regulator and the regulations it enforces</b>	<ul style="list-style-type: none"> <li>Identify all the Acts passed into law that impact the CIS industry and discuss the significance of them at a high level.</li> <li>Provide an overview of the key features of the CIS Control Act (CISCA).</li> <li>Explain the role and responsibilities of the Financial Services Conduct Authority (FSCA) and who it reports to.</li> <li>Describe the regulatory process as it pertains to the CIS environment pertaining the Management (Manco), Investment and Fund environments.</li> <li>Show the impact of the limits on investments set out in Regulation 28 to the Pension Funds Act.</li> <li>Draw up a checklist of reporting requirements to be submitted to the FSCA and the South African Reserve Bank.</li> </ul>
<b>How to set up and close down a fund and/or a Manco</b>	<ul style="list-style-type: none"> <li>Describe the Manco and fund application process.</li> <li>Contrast the Trust Deed, Supplementary Deed and Fund Mandate.</li> <li>Obtain and critique an exemplar application pack.</li> <li>Explore the requirements of a new Unit Trust member application.</li> <li>Discuss the process of converting an open fund to a closed one, and that of closing down, or transferring (or merging with another) a fund.</li> <li>Explain the process to shut down a CIS Manco.</li> </ul>
<b>Governance &amp; Ethics</b>	<ul style="list-style-type: none"> <li>Define the roles and responsibilities of the Manco.</li> <li>Describe the role that the compliance function fulfils.</li> <li>Discuss at a high level the key features of ASISA's Codes of Practice for: 1) Advertising of Collective Investment Schemes in Securities 2) Investor Communication 3) Corporate Governance 4) Ethics 5) Standards &amp; Guidelines</li> </ul>

**MODULE THREE – UNIT TRUST PRODUCTS**

<b>Learning Area</b>	<b>Learning Outcomes</b> - By the end of the course successful delegates will be able to...
<b>Product types</b>	<ul style="list-style-type: none"> <li>List and explain the ASISA categories/classifications e.g. domestic fixed income.</li> <li>Explore Unit Trusts, as investment vehicles underlying other product layers, e.g. within retirement annuities, preservation funds or in endowments.</li> <li>Contrast packaged products e.g. fund of funds, tracker funds, multi manager unit trusts and explore the market appetite for these products.</li> <li>Describe the nature and properties of Exchange Trade Funds (ETFs).</li> <li>Discuss the characteristics of Real Estate Investment Trusts (REITs).</li> <li>Explain at a high level how Sharia law pertains to investments.</li> </ul>
<b>Target markets</b>	<ul style="list-style-type: none"> <li>Draw comparisons of Direct, Platform and Institutional clients including the application of mandates where applicable.</li> <li>Examine the channels of investment e.g. intermediary, direct, LISP.</li> <li>Discuss the challenges to get new clients and growing the market.</li> </ul>
<b>Fund structure</b>	<ul style="list-style-type: none"> <li>Define and explore the terms of a Mandate (fund objective, investment universe, benchmark).</li> <li>Show the relationships between a management company "Manco" and the funds it manages.</li> <li>Investigate investment philosophies and strategies per product type.</li> <li>Debate the Investments Limits that investment managers have to adhere to.</li> <li>Explore the difference between the cash held in an investment bank account and that held in the Manco bank account.</li> </ul>



Learning Area	Learning Outcomes - By the end of the course successful delegates will be able to...
	<ul style="list-style-type: none"><li>Describe latest industry developments relating to CIS.</li></ul>
Tax	<ul style="list-style-type: none"><li>Show the tax implications of a variety of asset choices and explain the difference in investment and portfolio tax implications against those of the unit holder.</li><li>Discuss the tax implications of a unit trust on direct investors vs. institutional vs. a wrapper type investment.</li></ul>

## MODULE FOUR – UNIT TRUST MECHANICS

Learning Area	Learning Outcomes - By the end of the course successful delegates will be able to...
Fund Pricing & Liquidity	<ul style="list-style-type: none"><li>Explore at a high level, pricing policies and calculation of prices, pricing errors and rectification of positions-fund level.</li><li>Describe the term declaration and payment date.</li><li>Define the terms Units and Unit Holding.</li><li>Show the relationship between Unit Holding, Pricing and Valuation.</li><li>Describe the process for publishing prices.</li><li>Show how interest income flows into a fund and the impact thereof on pricing.</li><li>Show how dividend income flows into a fund and the impact thereof on pricing.</li><li>Describe the impact of creations &amp; cancellations and demonstrate this by way of a worked example.</li><li>Describe the term liquidity and what it means in the context of a CIS.</li></ul>
Cost fees & charges	<ul style="list-style-type: none"><li>List and define the various types of fee classes and rebates relating to a CIS (e.g. initial, exit, fixed, variable, on-going, performance fees)</li><li>Show the differences between costs, fees and charges and provide examples of each.</li><li>Show by way of a process flow diagram who receives fees, the stage in the process at which they are levied and the services to which they relate.</li><li>Explain what Total Expense Ratio (TER) is and how it is calculated.</li></ul>
Unit trusts as a product	<ul style="list-style-type: none"><li>Describe the purpose of the main deed &amp; supplemental deed.</li><li>List the compliance requirements that are applicable to Unit Trusts and describe the responsibilities of the various role players.</li><li>Contrast how the Front, Middle &amp; Back Office differ between Institutional Asset Management and Retail Sales.</li><li>Define the concepts of funds "On Balance Sheet" and "Off Balance Sheet" and provide examples of each within the CIS arena.</li></ul>
Unit trust trade cycle	<ul style="list-style-type: none"><li>Illustrate the CIS retail investment trade cycle, its considerations, company policy requirements and role players.</li></ul>



## MODULE FIVE – CLIENT ENGAGEMENT

Learning Area	Learning Outcomes - By the end of the course successful delegates will be able to...
<b>Who are CIS clients and how do we engage them?</b>	<ul style="list-style-type: none"><li>• Describe the client reporting process and how it varies for different types of clients.</li><li>• Explain at what point a client might consider engaging with an Ombud.</li><li>• Describe the hallmarks of good client service, provide examples of both good and poor service and describe how the poor service situations could have been avoided. Discuss how to handle complaints and manage difficult clients.</li><li>• Identify typical problem areas in the CIS industry and what steps can be taken to minimise client dissatisfaction.</li><li>• Discuss the importance of continued training for industry staff.</li><li>• Explore the responsibility and practicality of client education.</li><li>• Debate the influences of the FAIS Act when dealing directly with clients and discuss the impact of the FAIS Act for an institutional client.</li><li>• Explore the influence and requirements of FICA.</li><li>• Discuss the regulatory requirements for reporting to and communicating with clients.</li><li>• Explain what Treating Customers Fairly (TCF) is and the need for this initiative.</li><li>• List the key features of National Treasury's TCF initiative and show their impact on the CIS environment.</li></ul>

## MODULE SIX – ENGAGEMENT SKILLS

This module focuses on the skills for engaging in the workplace that need to be practically applied and demonstrated by the participants. The majority of the delivery activities used will be integrated into the delivery of the outcomes in the preceding modules.

Learning Area	Learning Outcomes - By the end of the course successful delegates will be able to...
<b>Working smarter</b>	<ul style="list-style-type: none"><li>• Demonstrate working efficiency and productivity.</li></ul>
<b>Ethics and Professionalism</b>	<ul style="list-style-type: none"><li>• Contrast ethics with a code of conduct.</li><li>• Describe typical ethical dilemmas in the industry and strategies for managing them e.g. giving and receiving of gifts, incentive schemes, mis-selling of products by brokers.</li><li>• Define conflicts of interest in terms of the client vs the firm and the firm vs the individual.</li><li>• Discuss professionalism in the industry.</li></ul>

## 6. PROGRAMME CHAMPION



### **Russell du Bois - Member South African Institute of Financial Markets**

Russell is a member of the core team of ASISA Academy Programme Champions where he anchors a range of Collective Investment Schemes programmes as well as the graduate development programme for the financial planning industry. He has worked in the financial services industry for over thirty years in banking, stockbroking, investment management and collective investments including roles as head of Sales and Marketing and Operations for Nedbank Unit Trusts.

## 7. FEEDBACK FROM PAST DELEGATES

Some comments from past Academy delegates about their experiences on our courses:



- "I enjoyed the session on pricing. The presenter kept it simple and increased my understanding by using examples I could relate to. I also enjoyed the sessions on retirement and investment philosophies."
- "Overall it was definitely encouraging, and I learnt new things once again. The course was good, and in my opinion, it would be a great tool for all our staff members."

- "I enjoyed the hedge fund session the most. The presenter used a lot of examples that made it easy to understand."
- "Exceeded my expectations. Well planned and executed."
- "Everyone is very passionate about what they do and bring that across effectively."
- "I enjoyed the various presentations and diverse presenters. It is a real strength of the course."
- "The program has broadened my perspective in terms of the actual industry - I am learning so much. It has been a great experience so far."
- "The presenters were great and gave a holistic picture of the industry and legislation. The order of the presentations was also very good."
- "A great course - given me a good idea as to how the different players and products in the industry fit and operate."
- "Professional and up-to-date lecturers who have an abundance to share."
- "It has been very valuable. I am very excited about the knowledge I have gained. Great course!"
- "Today's sessions were great and full of detail - the information provided today will definitely assist me in my industry knowledge and understanding."



## 8. CONTACT INFORMATION

For course dates, venues, pricing and other information please contact the ASISA Academy on:

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