

GUIDELINES FOR THE
PUBLICATION OF RATES OF
RETURN ON RSA FUNDS BY
PENSION FUND ADMINISTRATORS

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1.0 INTRODUCTION

1.1 These Guidelines are issued to regulate the publication of rates of return on RSA Funds by PFAs. The Guidelines summarize the standards and requirements, and succinctly present good corporate governance practices, relative to publishing annual rates of return by the PFAs.

1.2 This document consists of two parts.

1. The significance of the rates of return of the Fund
2. The Guidelines.

2.0 THE SIGNIFICANCE OF THE RATE OF RETURN OF THE FUND

2.1 The rates of return of the RSA Funds should be seen first and foremost as an information tool to RSA holders signifying the performance of the Fund. Publication of same therefore, serves to highlight the PFA's accomplishments and helps attract potential RSA holders to the PFA.

2.2 The information should, however, present a balanced view. Balance requires that the PFA should not only focus on its successes, but on other prevailing factors.

2.3 The manner in which such information is presented, how the information is grouped, and the key elements of the information, can all have a significant impact on readers.

3.0 THE GUIDELINES

3.1 In view of the foregoing therefore, the following guidelines shall apply before any PFA can publish the rate(s) of return on its RSA Fund (the Fund) or any other performance indicator.

3.2 The Fund must have been in operation for a minimum period of 12 months, in line with Section 6.1 of the Regulation on Valuation of Pension Funds.

3.3 The financial statements and valuation report of the Fund must have been audited by an independent firm of Chartered Accountants.

3.4 The financial statements in 3.3 above shall include a disclosure of the Net Assets Value per Unit of the Fund.

3.5 The audited reports of the Fund shall be submitted to the Commission, not later than four (4) months after the accounting year end, in line with Section 57 of the Pension Reform Act 2004.

3.6 The audited reports of the Fund must be approved by the Commission.

3.7 Every PFA that has been in operation for a minimum of (12) months shall publish its rate(s) of return either on a quarterly,

semi-annual or annual basis and such publication shall be based on audited positions of the Fund.

3.8 The unit value disclosed in the audited financial statements shall be such value that is derived after all adjustments arising from the audit of the Fund have been factored in.

3.9 The provisions of 3.7 above notwithstanding, every PFA shall publish its RSA Fund rate of return as at the end of every financial year ended 31st December.

3.10 Calculation of the Rate(s) of Return of the Fund shall be strictly in line with Section 6 of the Regulation on Valuation of Pension Funds.

3.11 Every PFA, publishing the unit price of the RSA Fund or the appreciation thereon, shall:

3.11.1. Disclose the period during which such appreciation was achieved; and

3.11.2. Disclose the lowest and highest rate(s) of return for PFAs with published audited financial statement in the industry, as confirmed by the Commission, alongside its own rate of return.

3.12 To achieve the provisions in 3.11 above, the following conditions shall exist:

3.12.1 RSA Funds shall have the same accounting year-ends, which shall be 31st December of every year, commencing with the year 2007.

3.12.2 All PFAs shall make the unit prices of their RSA Funds readily accessible on their websites. Accordingly, there shall be no access restrictions by way of password.

4.0 REVIEW AND ENQUIRIES

- 4.1 These Guidelines shall be reviewed in line with prevailing conditions as and when the need arises.
- 4.2 All enquiries regarding the content of these guidelines should be forwarded to the Director General, National Pension Commission.