



REGULATORY AND COMPLIANCE REPORTING SPECIALISTS

REGULATORY COMPLIANCE INVESTMENT REPORTING RISK MANAGEMENT ESG

2018

What we can do for you

Regulation 28 is a major concern for retirement fund trustees, consultants, administrators, asset managers, collective investment schemes and other investment stakeholders and platforms.

GIR is an independent specialist in regulatory reporting services for the South African financial services sector. As the leaders in outsourced regulatory and risk reporting, we can make your reporting headaches disappear.

We take on the full responsibility of providing accurate, unbiased reports that meet the full regulatory requirements, so that you can focus on growing your business.

This means that GIR will:

- Collect manager data
- Collect fund data
- Collect pricing information
- Upload all data into systems
- Automatically classify instruments
- Batch run your fund reports
- Deliver reporting to you
- Liaise with auditors
- Highlight breaches and actions

Our reporting systems can deliver:

- Schedule IB
- Sub-Regulation 3
- Breach reports
- Summary asset allocation
- Schedule IA
- Reports A-P (Notes to AFS)
- SARB D427

GIR has taken regulatory reporting to the next level through specialised reporting services:

- Risk Management reports including market, credit, currency, geographic, industry, sector and liquidity risk
- Stress Testing Impact Analysis – detailed reporting showing impact of market volatility and
- Environmental, Social and Governance (ESG reporting)
- Credit Ratings review

The outsourced solution makes economic sense and can help you stay focused on business growth rather than compliance and regulatory reporting.



Institutional Reporting

Our clients have discovered that outsourcing regulatory reporting to specialists means lower business risk, a focused business and client satisfaction.



Retail contract level reporting

The first outsourced solution in South Africa – complete look-through reporting for contract level retirement annuities, preservation funds and complex umbrella fund solutions.

Why outsource regulatory reporting

Large or small – retirement funds face the ongoing pressure for regulatory reporting. The requirement is further amplified by complex umbrella funds that need member level compliance and fund level reporting – this means complicated spreadsheets!

Outsourcing can increase productivity whilst reducing costs, improve reliability, predictability and accuracy, drive report standardisation and reduce business risk.

By employing **Knowledge Process Outsourcing (KPO)**, which is the outsourcing of non-core but business critical processes, GIR is able to assist in providing the technical knowledge and experience to deliver regulatory reporting that sets the benchmark in regulatory reporting.

Choosing to outsource:

- Focus on your core strengths – growing your business rather than stressing about commoditised reporting.
- Cost savings and efficiency – Costs for reporting increases for smaller businesses that don't have the systems or people to produce reports.
- Operational control – Regulatory reporting means more staff and systems to manage and control.
- Continuity and Risk management – staff turnover leads to inconsistency and uncertainty and increases business risk.
- Changing regulation – Regulatory reporting is evolving and changes imply expert knowledge and implementation of system changes.
- Accountability – GIR takes full responsibility to deliver the right solutions to meet the regulatory requirements and exceed expectations.
- International systems – with access to global listed instrument data and pricing, the GIR solution is backed by international data verification.
- Customised reports – GIR can help deliver a "white label" solution that



incorporates your branding and specific reporting requirements.

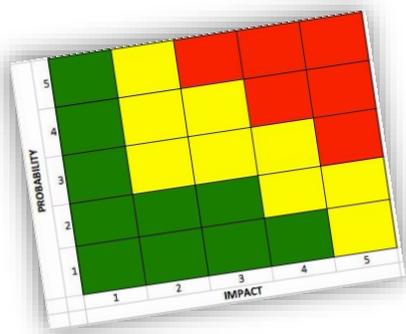
MSCI BARRA

GIR uses the MSCI BarraOne risk and portfolio management system as a source for instrument data, ESG reporting, portfolio aggregation, risk management reporting and portfolio stress testing.

www.msci.com

Portfolio Impact Analysis

Stress testing – scenarios and asset classes



Regulation 28 has compelled retirement funds to aggregate portfolio holdings into a consolidated exposure report.

Now that we have this data, GIR explored the options available to translate data into information and we created the Portfolio Impact Analysis for retirement funds.

How would a repeat of the Financial Crisis or Steinhoff impact your retirement fund?

GIR can measure the impact of any historic crisis together with real life situations such as the local equity market falling by 20% or interest rates rising by 2% or the rand depreciating to R15/USD.

Consultants and trustees can use this information (at fund and instrument level) to measure the concentration, industry, currency and interest rate risk of the fund.

These reports lead to a better understanding of the overall fund investment style (value, growth, large cap bias, momentum etc.) and the contribution of active positions to risk.

As a management tool, the reports should form part of the risk management process that trustees incorporate into board packs.

CONTACT US FOR MORE INFORMATION

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Automated Instrument Classification

GIR created the **ALLOCATOR** using proprietary algorithms to determine the most appropriate classification according to the Schedule IB of Regulation 28.

The system requires over 35 specific variables per instrument ranging from market capitalization to sector and subsector classifications to assign a classification.

The **ALLOCATOR** enables GIR to produce daily compliance reports based on the latest instrument data available, making the classification continuously accurate.

Data management and sourcing

One of the key elements in generating regulatory compliance reports is the access to reliable, accurate data.

GIR provides its clients with an end to end solution that involves sourcing of asset manager fund data, sourcing the fund investment breakdown or fund accounts, using international data vendors for instrument static data.

Using some of the latest automation techniques, GIR's proprietary systems reduces the need for manual capturing whilst increasing the efficiency of straight through processing into multiple systems.

Proprietary Reporting Solutions

Using regulatory reporting templates, GIR developed bespoke reporting systems to generate the numerous reports using a single database of fund data.

This means that data is not manipulated, imported or exported into various platforms (reducing the accuracy) in order to generate the various reports.

Having access to a team of developers and proprietary systems means that we can amend, tailor and change reporting formats depending on regulatory changes or client requirements.

Unlisted instruments are uploaded using system defined templates that ensure all relevant information is recoded on the system for accurate classification.

GIR has access to globally listed instruments and static data including daily pricing (where applicable). Global ETF's have look through functions to show all underlying securities.

Multi-reporting output is derived from a single data source, ensuring the consistency of reporting across all derivatives.

Independence

GIR is the only independent regulatory reporting service provider in South Africa. There are no shareholding interests from life companies, asset managers, banks, consulting businesses or administrators. In addition, GIR does not offer investment consulting or investment advice.

Once appointed, GIR meets with the various stakeholders responsible for submitting data to arrange direct receipt of fund or asset data from the originator to ensure accuracy of data and time efficiency.

Most retirement fund regulations (CRISA, PF130 and Reg28) refer to trustees reducing the "conflict of interest" between service providers – independent compliance reporting is the perfect place for trustees to introduce neutral reporting.

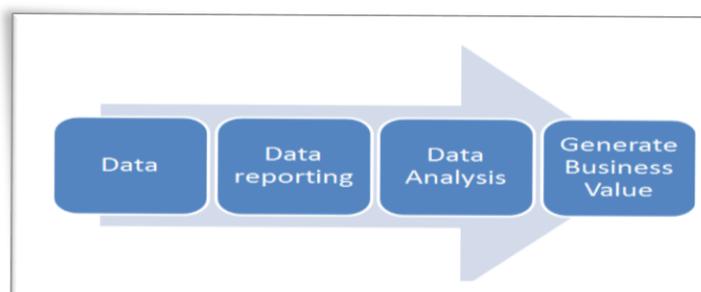
Breach Management Process

GIR applies a full breach management process through the entire investment structure of the fund. Where daily compliance reporting is performed, GIR can classify "HARD" and "SOFT" breaches using the daily holdings and prices.

Most breaches are the result of trading, asset allocation or market movement. These positions are then confirmed with the manager

The breaches are recorded together with manager comments and expected date to be resolved. The breach is then monitored daily until the fund is compliant. Reports are sent daily to the client, administrator or trustee to ensure effective communication.

As an "end to end" service provider, we can help your business remain competitive and focused on its core functions, while regulatory reporting is taken care of.



Retirement fund risk management

Regulatory reporting should be considered as part of a holistic approach to risk management and should be one of the key drivers in retirement fund management.

GIR has expanded its service range to incorporate risk management reporting to the investment consultants and trustees of retirement funds.



By understanding the contributors to investment risk, the extent to which the fund is exposed to market influencers can be properly determined and managed.

GIR is able to provide complete reporting on some of the most common sources of risk:

- **Market risk** – the influence of the market on the fund and the possible threats to achieving the desired performance.
- **Currency risk** – the risk of currency volatility or depreciation leading to profit or loss.
- **Industry risk** – the impact of holding assets in various industries and being able to determine which industries are significant contributors to risk.

- **Concentration risk** – the risk of portfolio assets being concentrated into a few asset classes or market sectors, which may not deliver the expected returns.
- **Selection risk** – where active managers choose one asset over another in the same industry. The manager believes the selected asset will outperform the other, but the risk of underperformance exists.
- **Geographic risk** – mainly global risk, where the manager prefers exposure to one area (eg. US or Eurozone) which underperforms the rest of the world.
- **Style Analysis** – this is a multifaceted review of the portfolio by checking if the overall fund has a bias towards value, growth, momentum, large or small cap shares, rand hedge shares or the correlation of managers.
- **Active risk** – where the fund is actively underweight or overweight, we can measure the influence the active position has on the overall contribution to risk.

CLIENT FEEDBACK

Thank you so much! This is great and saved us a huge amount of time and headaches 😊

The process went so smooth with almost no input from our side.

Financial operations Manager, Large LISP
Johannesburg

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Schedule of Services

Global Investment Reporting (GIR) uses a multi-level reporting platform based on a single data input. This process ensures consistency of reporting across multiple regulatory reporting standards. The table below highlights our reporting capabilities

Regulatory services	Frequency	Mandate	Regulation	CISCA BN90	CISCA BN52	FSB and	SARB D427	Investment	Fund Fact	SAM
Business units	D:M:Q:A	Compliance	28	ALL	Hedge Funds	ASISA	ALL	Risk Reports	Sheets	Reporting
Pension Funds	D:M:Q:A	✓	✓				✓	✓	✓	
Collective Investment Schemes	D:M:Q:A	✓	✓	✓	✓	✓	✓	✓	✓	
Long Term Insurance	D:M:Q:A	✓	✓				✓	✓	✓	✓
Medical Schemes	M:Q:A	✓						✓	✓	
Nominee (LISP)	M:Q:A		✓				✓	✓		

D = Daily Reporting

M = Monthly Reporting

Q = Quarterly Reporting

A = Annual Reporting

Retirement Funds
Regulatory Consulting
Investment Risk Management
Investment Fund Stress Testing
Fund Level Regulatory Reporting
Member Level Regulatory Reporting
Environmental, Social and Governance Reporting

Nominee (LISP)
Contract Level Compliance Reporting
Contract Level Breach Identification
Periodic Breach Reporting
Contract Level "Forced" Rebalancing
Look-through Regulation 28 Calculator
Breach Analytics and Consolidated Reports

GIR uses the following systems and data access points to provide a comprehensive outsourced service with minimal client input.

SYSTEMS USED	Analytics	Data Feed
Proprietary Compliance System	✓	
MSCI BarraOne	✓	✓
Statpro	✓	
INET Frontier	✓	
MorningStar		✓
INET and JSE (Data)		✓

DASHBOARD – Proprietary Reporting System – developed to create prescribed reporting. Also used for data formatting, instrument mapping, data integration, fund monitoring, client access, Regulation 28 Calculator and more.

ALLOCATOR – Proprietary instrument classification systems – uses multiple instrument market variables to determine regulatory classification. Used for Regulation 28, BN90, SARB, Africa, ASISA, FSB, NAMFISA reporting.

MSCI BarraOne – Portfolio holdings, look through reporting, risk management and stress testing

MorningStar (MOD) – local and international portfolio holdings

STATPRO – Investment analysis and performance

INET Frontier – Live pricing and historical data

INET and JSE – Benchmark and Indices data

BUSINESS PROFILE

- FSP 45482 (Category I)
- ISAE 3402 certified (Type 1)
- BBBEE Level 1
- Proprietary Systems and processes

