Directive of Strate (Pty) Ltd

Special Gazette No. S4-2025
Strate Directive SL.3

Operational Market Windows and Distributions Processing – Global Funds Access

strate

To provide for the settlement of transactions in global collective investment schemes reported by Trade Reporting Parties; to provide for the moment of finality of Instructions; and to provide for the distributions process

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1. Interpretation and Definitions

This Strate Directive should be read in conjunction with Strate Directive SZ.1 - *Interpretation and Definitions.*

2. Considerations and Assumptions

2.1 The following are the basic considerations and assumptions on which the operational timings are based:

2.1.1 The timings are with respect to the Strate System;

2.1.2 For all incoming messages, it is 'Received Time' by the Strate System;

2.1.3 For all outgoing messages, it is 'Sent Time' by the Strate System;

2.1.4 For internal processing, it is 'Processing Time' by the Strate System.

2.2 A Client must open a Central Securities Account in the Uncertificated Securities Register through its appointed Participant. The Client's Central Securities Account is required for recording instructions and Settlement of instructions in Global CIS Securities.

2.3 The Strate System only accepts purchase, redemption, switches or transfer instructions from a Business Partner with a "Trade Reporting Party" role. Any instruction received from a Business Partner without a "Trade Reporting Party" role will be rejected, and a rejection notification will be sent to the party attempting to submit the instruction.

2.4 The operational timings stipulated in this Strate Directive are expressed in Business Days and South African Standard Time.

2.5 A Participant may elect which messages and notifications it wishes to receive from Strate.

3. Operational Timings

The following operational timings provided in this sub-section are based on the assumptions and considerations provided in the previous sub-section.

3.1 Strate System

3.1.1 The Strate System BOD is at 03h00. Strate informs Participants when there is a change in the timing of the BOD process.

3.1.2 The Strate System EOD is at 19h00. Should a Participant require the parameter to be moved beyond 19h00, it must submit a request to Strate in writing before 16h30.

3.2 Transaction Reporting

3.2.1 A Trade Reporting Party may send instructions for Global CIS Securities to Strate between 03h00 and 19h00.

3.2.2 The Settlement cycle for purchase and/or redemption instructions is governed by the rules of each Global CIS Security.

3.2.3 Each Global CIS Security has its own Instruction Cut-Off Time in order to receive same day value and Settlement. Any instruction received by Strate after the Instruction Cut-Off Time for that Global CIS Security will result in a value and settlement date calculated on the following Business Day).

3.2.4 A Trade Reporting Party must ensure that sufficient cash in the correct currency of the Global CIS Security is deposited in the offshore account stipulated by Strate prior to the Instruction Cut-Off Time in order to receive same day value and Settlement.

3.2.5 Should a Trade Reporting Party fail to provide sufficient cash for a non-prefunded transaction, Strate reserves the right to cease accepting any instructions from that Trade Reporting Party until it has demonstrated that it has implemented adequate controls and processes to the satisfaction of Strate.

3.2.6 Any penalties levied against Strate due to a Trade Reporting Party's actions will be payable by the Trade Reporting Party.

3.2.7 The following instruction types are allowed:

3.2.7.1 Purchase instruction

3.2.7.2 Redemption instruction

3.2.7.3 Switch instruction

3.2.7.4 Transfer instruction

3.2.8 Upon receipt of an instruction from a Trade Reporting Party, Strate sends the instruction to its offshore Global CIS Security platform provider, as well as to the relevant Participant.

3.2.9 A Participant is deemed under this Directive to have delivered a standing instruction to Strate authorising Strate to act on its Client's instructions.

3.2.10 Upon receipt of an instruction from Strate, a Participant must record the instruction for transactional and reporting purposes.

3.2.11 Upon receipt of a status message from Strate, a Participant must record the status update on the reported instruction for transactional and reporting purposes.

3.2.12 Upon receipt of a Contract Note message from Strate, a Participant must record the contract note information for the reported instruction for transactional and reporting purposes.

3.3 Settlement

3.3.1 Upon receipt of a Settlement instruction message from Strate, a Participant must record the settlement instruction linked to the reported instruction for transactional and reporting purposes.

3.3.2 Upon receipt of a Settlement confirmation message from Strate, a Participant must credit or debit the Client's Securities Account accordingly.

3.3.3 The Moment of Finality of Instructions referred to in the Strate Rules is the moment immediately preceding Settlement.

4. Entitlements and Distributions

4.1 Corporate Action Notifications

4.1.1 Upon receipt of a Corporate Action notification from Strate, a Participant must record the corporate action information for transactional and reporting purposes.

4.2 Elections

4.2.1 For non-voting elections, a Trade Reporting Party must provide Strate and its Participant with its Client's election.

4.2.2 For voting elections, a Trade Reporting Party must only provide Strate with its Client's election.

4.2.3 Upon receipt of a Trade Reporting Party Client's election, a Participant must record and send the election to Strate.

4.2.4 Upon receipt of a Trade Reporting Party Client's election, Strate sends the election to its offshore Global CIS Security platform provider, as well as to the relevant Participant.

4.2.5 Upon receipt of an election from Strate, a Participant must record the election information for transactional and reporting purposes.

4.3 Entitlement Notifications

4.3.1 If an entitlement is due to a Client, Strate will notify the relevant Participant, who must record and notify the Client of such entitlement.

4.4 Payment

4.4.1 Strate will enable payment of a distribution to the Client's designated offshore bank account in foreign currency.

4.4.3 Upon receipt of a payment confirmation from Strate's offshore Global CIS Security platform provider, Strate will notify the relevant Participant of the payment, if requested.

4.4.4 Upon receipt of a payment confirmation from Strate, a Participant may record and notify its Client about the completion of the Corporate Action payment.

5. Holdings Reconciliation

5.1 Statement of Holdings and Statement of Instructions

5.1.1 Strate must reconcile and match the holdings in its account at its Global CIS Security platform provider against the records in the Strate System daily.

5.1.2 A Participant must reconcile its Clients' Central Securities Account positions in the Strate System daily. For this purpose, the Strate System generates a statement of holdings message at 19h00 daily, which it sends to the Participant. In case of any discrepancy, the Participant may request the audit trail details via an email from Strate Global Funds Services, by 19h00 on the following Business Day.

5.1.3 Any discrepancy must be resolved by the Participant within 24 (twenty-four) hours of it arising.

6. General

6.1 Should a Transfer Agent request documentation relating to the identity of a Client that seeks to invest in that Global CIS Security, Strate may request the Client to provide such documentation. The Client shall consent to the provision of such documentation and shall provide it to Strate without delay for onward transmission to the relevant administrator.

6.2 Should a Client be entitled to any rebate due to investing in a Global CIS Security, Strate shall pass that rebate directly to the Client.