

AFS Wealth - FSP 16391
("hereinafter referred to as the FSP")

Conflict of Interest Management Policy

Background

The Board of Directors of the FSP ("the Board") has reviewed the Conflicts of Interest legislation contained in the General Code of Conduct of Financial Advisory and Intermediary Services Act ("FAIS"), in consultation with the FSP's compliance officer, and has updated the FSP's conflicts of interest policy accordingly.

The Board has therefore adopted the following principles relating to conflicts of interests which all Key Individuals, Representatives and employees are required to conform to.

Any employee who fails to comply with these principles will be debarred from acting as a Key Individual or Representative as required in terms of FAIS.

The conflict-of-interest management process covers the following areas:

- 1) Mechanisms for the identification of conflicts of interest;
- 2) Measures for the avoidance of conflicts of interest, and where avoidance is not possible, the reasons therefore and the measures for the mitigation of such conflicts of interest;
- 3) Measures for the disclosure of conflicts of interest;
- 4) The processes, procedures and internal controls to facilitate compliance with the policy;
- 5) Confirmation of the consequences of non-compliance with the policy by the provider's employees and representatives;
- 6) Confirmation of the basis on which a representative will qualify for a financial interest;
- 7) A list of all the FSP's associates;
- 8) A list of all parties in which the FSP holds an ownership interest;
- 9) A list of all third parties that holds an ownership interest in the FSP.

The General Code of Conduct of FAIS

In terms of Section 3A(2)(a) of the General code of Conduct "every provider, other than a representative, must adopt, maintain and implement a conflict-of-interest management policy that complies with the provisions of the Act"

Policy: The Board of Directors of the FSP hereby accepts the provisions stipulated in this document as the formal Conflicts of Interest Management Policy of the FSP.

Definitions

FAIS contains the following important definitions relating to conflicts of interests:

Conflict of interest: means any situation in which a provider or a representative has an actual or potential interest that may, in rendering a financial service to a client:

- a) influence the objective performance of his, her or its obligations to that client; or
- b) prevent a provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the interest of that client, including but not limited to -
 - i) a financial interest;
 - ii) an ownership interest;
 - iii) any relationship with a third party

Financial interest: means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than –

- a) an ownership interest;
- b) training, that is not exclusively available to a selected group of providers or representatives, on –
 - i) products and legal matters relating to those products;
 - ii) general financial and industry information;
 - iii) specialised technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodations associated with that training

Ownership interest: means

- a) any equity or proprietary interest, for which fair value was paid by the owner at the time of acquisition, other than equity or a proprietary interest held as an approved nominee on behalf of another person; and
- b) includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

Third party: means

- a) a product supplier;
- b) another provider;
- c) an associate of a product supplier or a provider;
- d) a distribution channel;
- e) any person who in terms of an agreement or arrangement with a person referred to in paragraphs (a) to (d) above provides a financial interest to a provider or its representatives.

Associate: means

- a) in relation to a natural person, means
 - i) a person who is recognised in law or the tenets of religion as the spouse, life partner, or civil union partner of that person;
 - ii) a child of that person, including a stepchild, adopted child and a child born out of wedlock;
 - iii) a parent or stepparent of that person;
 - iv) a person in respect of which that person is recognised in law or appointed by a court as the person legally responsible for managing the affairs of or meeting the daily care needs of the first mentioned person;
 - v) a person who is the spouse, life partner or civil union partner of a person referred to in (ii), (iii) and (iv);

- vi) a person who is in a commercial partnership with that person
- b) in relation to a juristic person,
 - i) which is a company, means any subsidiary or holding company of that company, any other subsidiary of that holding company and any other company of which that holding company is a subsidiary;
 - ii) which is a closed corporation registered under the Close Corporations Act, means any member thereof as defined in section 1 of that Act;
 - iii) which is not a company or a closed corporation, means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person:
 - a) had such first-mentioned juristic person been a company; or
 - b) in the case where that other person, too, is not a company, had both the first-mentioned juristic person and that other juristic person been a company;
 - iv) means any person in accordance with whose directions or instructions the board of directors of or, in the case where such juristic person is not a company, the Governing Body of such juristic person is accustomed to act.
- c) in relation to any person,
 - i) means any juristic person of which the board of directors or, in the case where such juristic person is not a company, of which the Governing Body is accustomed to act in accordance with the directions or instructions of the person first-mentioned in this paragraph;
 - ii) includes any trust controlled or administered by that person.

Distribution channel: means

- a) any arrangement between a product supplier or any of its associates and one or more providers or any of its associates in terms of which arrangement any support or service is provided to the provider or providers in rendering a financial service to a client;
- b) any arrangement between two or more providers or any of their associates, which arrangement facilitates, supports or enhances a relationship between the provider or providers and a product supplier;
- c) any arrangement between two or more product suppliers or any of their associates, which arrangement facilitates, supports or enhances a relationship between a provider or providers and a product supplier.

The point of departure of the conflict of interest's requirements: the avoidance and mitigation of Conflicts of Interest

In terms of the General Code of Conduct a provider and a representative must avoid, and where this is not possible, mitigate any conflict of interest between the provider and a client or the representative and a client.

In order to comply with this requirement, it is necessary for the FSP to identify any and all conflicts of interest that are applicable to the FSP's business and then to determine whether or not said conflicts can be avoided given the financial service that the FSP provides to its clients.

If the conflict of interest is avoidable given the financial service that the FSP provides to its clients, then the FSP must desist from the activity that gives rise to the conflict of interest. If the FSP is of the opinion that the conflict of interest is unavoidable given the nature of the financial service that the FSP provides to its clients, then the FAIS requires the FSP to mitigate that conflict interest. In other words, the FSP must be sure to manage the conflict of interest with a view to mitigating any adverse outcomes to clients given the nature of the conflict of interest.

The identification of conflicts of interests

In terms of Section 3A(2)(b)(i)(aa) of the General Code of Conduct, a conflict of interest management policy must provide mechanisms for the identification of conflicts of interest.

On an ongoing basis, there is an obligation on all key individuals and representatives to apply their minds to the identification of potential and actual conflicts of interests by asking the following questions in relation to the financial services that they provide:

- a) "Is there any situation that exists that influences the objective performance of my obligations to my client"?
- b) "Is there any situation that exists that prevents me from rendering an unbiased and fair financial service to my client"?
- c) "Is there any situation that exists that prevents me from acting in the interest of my client"?

If the answer to any one of these questions is "no" then no further action would be required. If the answer to any one of these questions is "yes" then the situation must be referred to the Governing Body for evaluation.

It is the role of the Governing Body to determine whether or not an actual conflict of interest exists and to ultimately define a certain practice or activity as a conflict of interest.

The mechanisms for the identification of conflicts of interests are therefore the following:

- a) There is an obligation on all key individuals and representatives to identify potential and actual conflicts of interest on an ongoing basis.
- b) Once identified, potential and actual conflicts of interest must be reported to the Governing Body for determination.
- c) During Governing Body meetings, the Governing Body must investigate whether or not any conflicts of interest exist in addition to those identified by the key individuals and representatives by considering inter alia:
 - I. Reviewing all agreements signed with third parties or associates since the previous Governing Body meeting.
 - II. Reviewing the relationships that the FSP has with any third party or associate in order to determine if those relationships give rise to actual conflicts of interests.
 - III. Reviewing all financial interests, ownership interests in order to determine if any conflict of interest is present.
 - IV. Updating the list of associates in the annexure to this Policy.
 - V. Updating the list of ownership interests in the annexure to this Policy.
 - VI. All gifts of more than R50 must be listed in the FSP's gifts register.
 - VII. All records relating to the identification of conflicts of interest must be maintained indefinitely.

Guidance Notes on "objective performance" and "unbiased and fair"

The contextual definition of the relevant sections referring to "influences the objective performance" and "unbiased and fair financial services" cannot to be found within legislation and its interpretive meaning must therefore be sourced from elsewhere.

It is generally accepted that the word "objective" implies a situation where an individual's feelings or opinions are completely absent. The "objective performance" of an FSP's obligations therefore implies a situation where financial services are rendered without the influence of unrelated feelings or opinions. In the same vein, "unrelated feelings and opinions" denote separate, external persuasions or motivations where no causal link or nexus can be found

between the particular feeling or opinion and the financial service that is rendered within the best interests of the client.

Put differently, if an unrelated feeling or opinion of an individual, influences the performance of such said individual's obligations, it cannot be said to be an objective performance of that individual's obligation.

The word "bias" indicates an inclination or prejudice in favour of a particular person or viewpoint. Similarly, the word "fair" indicates a situation of just circumstances or treating people equally. Unbiased financial services therefore imply financial services that do not lend itself to a particular preference towards a person or viewpoint, if an accompanying, reasonable justification for such preference cannot be found.

Consequently, all unbiased financial services must necessarily comprise services that are capable of being motivated by readily discernable, logical reasons and explanations. "Fair" financial services on the other hand imply a situation where the same conclusion or outcome is consistently reached given the same exact set of circumstances. In other words, financial services cannot be said to be fair if a pattern of favouritism begin to present itself vis-à-vis a particular person or service. Any unexpected inconsistencies towards a group of clients and/or a particular client must therefore again, have to be motivated by logic reasons and explanations.

Avoidance and mitigation of conflicts of interests

As specified above, the point of departure of the conflicts of interest legislation is that the provider and a representative must avoid, and where this is not possible, mitigate any conflict of interest between the provider and a client or the representative and a client.

In other words, the point of departure is that FSP's need to avoid conflict of interest scenarios. Only where this is not possible can the FSP continue with the practice that gives rise to the conflict of interest however then the FSP must make certain that it takes steps to mitigate the conflict of interest.

Furthermore, in terms of Section 3A(2)(b)(i)(bb) of the General Code of Conduct, a conflict of interest management policy must provide measures for the avoidance of conflicts of interest, and where avoidance is not possible, the reasons therefore and the measures for the mitigation of such conflicts of interest.

Therefore, once the Governing Body has identified a conflict of interest, it must determine whether or not the conflict of interest is avoidable or not given the financial service that the FSP provides in the interests of its clients.

If the Governing Body is of the opinion that the conflict of interest is avoidable, then the FSP must desist from the activity immediately.

Whenever a practice falls within the conflict-of-interest definition and the Governing Body is of the opinion that it is not possible to avoid the conflict of interest, given the financial service that the FSP provides in the interests of its clients, then the Governing Body must:

- 1) Disclose the conflict of interest in an annexure to this Policy.
- 2) Provide reasons why the Governing Body has determined that the conflict of interest cannot be avoided in said annexure.
- 3) Provide details in said annexure of the steps that will be taken to mitigate the conflict of interests for clients.
- 4) Disclose the conflict of interest, details relating to the avoidability and mitigation of the conflict of interests to the FSP's compliance officer.

In terms of Section 3A(2)(b)(i)(bb) of the General Code of Conduct, a conflict of interest management policy must provide measures for the avoidance of conflicts of interest, and where avoidance is not possible, the reasons therefore and the measures for the mitigation of such conflicts of interest.

In addition to any specific mechanisms that may be included in the annexure referred to above relating to specific conflicts of interests, the mitigation process will always include the adoption of the following measures:

- 1) The actual or potential conflict of interest must remain only for as long as it is absolutely necessary given the unavailability of the actual or potential conflict of interest.
- 2) Alternative arrangements to a proposed transaction, contract or arrangement that is the subject of the conflict of interest must be investigated on a continuous basis.
- 3) The rendering of financial services must at all times be conducted as to the best interest of the client (in as far as this is possible, given the unavailability of the actual or potential conflict of interest).
- 4) All representatives must be made aware of the actual or potential conflict of interest, and the reasons for its unavailability.
- 5) Where possible, full disclosure of the actual or potential conflict of interest must be made to the client at the earliest reasonable opportunity.
- 6) Full disclosure of the actual or potential conflict of interest must be made to the Financial Service Board during the FSP's annual compliance report.

Disclosure

In terms of Section 3A(2)(b)(i)(cc) of the General Code of Conduct, a conflict-of-interest management policy must provide measures for the disclosure of conflicts of interest.

The FSP must make appropriate disclosures to third parties including clients, as part of its arrangement to manage conflicts of interest. It is acknowledged that while disclosure alone will often not be enough, disclosure must be treated as an integral part of managing conflicts of interest. The FSP is therefore committed to ensure that clients are adequately informed about any conflicts of interest that may affect the provision of financial services to them.

It is furthermore acknowledged that, whilst a clearly identified conflict of interest will not necessarily cause the provision of financial advice to a client to be significantly compromised, it should nonetheless be disclosed to the client. The client must be afforded the opportunity to decide for him/herself whether the conflict of interest is significant and to what extent he/she will wish to proceed with the specific financial service.

It is however noted that the FSP does not deal directly with clients and in all cases deals through regulated financial services providers and all disclosure measures must be considered in the light of this fact.

On the discovery and identification of a conflict of interest, and the subsequent determination of its unavailability, the following disclosure processes will be implemented on behalf of the FSP:

- 1) Full disclosure of the actual or potential conflict of interest must be made to all the key individuals and representatives of the FSP.
- 2) Full disclosure of the actual or potential conflict of interest must be made to the compliance officer of the FSP.
- 3) On the discovery and identification of a conflict of interest, and the subsequent determination of its unavailability, the following disclosure processes will be implemented on behalf of the client:

- a) Where appropriate and relevant, disclosure of the conflict of interest must be made in the fund fact sheets of the portfolios that are affected.
- b) The disclosure must be formulated in such a way as to be considered specific and meaningful to the client.
- c) The disclosure must be made in such a way as to allow the client to make an informed decision as to whether to continue with the financial services.
- d) Where there is a portfolio involved, the conflict of interest must be disclosed in the mandate which is signed by the client.
- e) The reasons for the conflict of interest's unavailability must be made available to the client on request.
- f) The conflict-of-interest policy must be made available to the client on request.
- g) The FSP's gift register must be made available to the client on request.

Facilitation of compliance with the Policy

In terms of Section 3A(2)(b)(i)(dd) of the General Code of Conduct a conflict of interest management policy must provide processes, procedures and internal controls to facilitate compliance with the policy.

The processes associated with the implementation and continued compliance of the conflict-of-interest management policy will be performed by the Governing Body of the FSP as well as the appointed Compliance Officer.

Internal controls and processes include the following:

- 1) The Governing Body of the FSP will ensure that the policy is kept on the compliance file, and the appointed Compliance Officer will confirm its adoption as part of the FSP's quarterly feedback report.
- 2) The Governing Body of the FSP will ensure that all relevant staff are aware of the policy.
- 3) The Governing Body of the FSP will ensure that the annexure section of this policy is completed, and the appointed Compliance Officer will confirm such completion as part of the FSP's quarterly feedback report.
- 4) The Governing Body of the FSP will ensure the annual review of all contracts held with 3rd parties, and the appointed Compliance Officer will confirm such review as part of the FSP's feedback report.
- 5) The Governing Body of the FSP will ensure that a list of all the FSP's associates is attached hereto and updated annually. The appointed Compliance Officer will confirm such update as part of the FSP's feedback report.
- 6) The Governing Body of the FSP will ensure that a list of all the parties in which the FSP holds an ownership interest is attached hereto and updated annually. The appointed Compliance Officer will confirm such update as part of the FSP's feedback report.
- 7) The Governing Body of the FSP will ensure that a list of all third parties that holds an ownership interest in the FSP is attached hereto and updated annually. The appointed Compliance Officer will confirm such update as part of the FSP's feedback report.
- 8) The Governing Body of the FSP will ensure that all gifts received from 3rd parties, with an estimated value of R50 or more are recorded in the FSP's gift register. The appointed Compliance Officer will confirm that such register is in place as part of the FSP's quarterly feedback report.
- 9) The Governing Body of the FSP will ensure that all records associated with the identification of actual or potential conflicts of interest are kept on the compliance file. The appointed Compliance Officer will confirm such records as part of the FSP's quarterly feedback report.
- 10) The Governing Body of the FSP will ensure that the proper disclosure requirements are communicated to the client. The appointed Compliance Officer will confirm such disclosures as part of the FSP's quarterly feedback report.

- 11) The policy will be overseen by the Governing Body of the FSP who carry the responsibility for the implementation, reviewing and updating of the policy's associated processes.
- 12) The Annexure section of this policy must be reviewed, updated and signed by the nominated Key Individual on an annual basis. The Annexure section of this policy must be reviewed, updated and signed by the appointed Compliance Officer on an annual basis.

Financial Interests that may be received by the FSP and any representative

A provider or its representatives may only receive or offer the following financial interest from or to a third party:

- 1) **Commissions** as authorised under the Long-term Insurance Act, Short-term Insurance Act and the Medical Schemes Act
- 2) **Fees** as authorised under the Long-term Insurance Act, Short-term Insurance Act and the Medical Schemes Act if those fees are reasonably commensurate to a service being rendered.
- 3) **Fees** for the rendering of financial services in respect of which the abovementioned commissions and fees are not paid, provided that the client agreed to such fees in writing and may be stopped at the discretion of the client.
- 4) **Fees or remuneration** for the rendering of a service to a third party, which fees or remuneration are reasonably commensurate to the service being rendered.
- 5) **An immaterial financial interest** i.e. a financial interest with a determinable monetary value, the aggregate of which does not exceed R1000 in any calendar year from the same third party in that calendar year received by – a provider who is a sole proprietor, or a representative for that representative's direct benefit, or a provider who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.
- 6) **A financial interest not referred to above**, for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid by that provider or representative at the time of receipt thereof.
- 7) A provider **may not** offer any financial interest to a representative of that provider for:
 - a) Giving preference to the **quantity of business** secured for the provider to the exclusion of the quality of the service rendered to clients.
 - b) Giving preference to a **specific product supplier**, where a representative may recommend more than one product supplier to a client
 - c) Giving preference to a **specific product of a product supplier**, where a representative may recommend more than one product of that product supplier to a client.

It is specifically recorded that the only financial interests that any representative or key individual of the FSP will be entitled to is the remuneration disclosed in each employee's service contract.

Consequences of non-compliance

In terms of Section 3A(2)(b)(i)(ee) of the General Code of Conduct a conflict of interest management policy must provide for the consequences of non-compliance with the policy by the FSP's employees and representatives.

If there is reason to believe that an employee or a representative has failed to disclose actual or possible conflicts of interest, the FSP's Board shall afford that person the opportunity to explain the alleged failure to disclose.

If after hearing the response of the employee or representative and making such further enquiries as may be warranted in the circumstances, and where the Board determines that the employee or representative has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ANNEXURE A

In terms of the Conflicts of Interest Management Policy, the Board of the FSP has identified the following conflicts of interest, the reasons for the unavoidability of said conflicts of interest and the specific steps that will be taken to mitigate the conflict of interest to clients:

The identified conflicts of interests

1) The recommendation of investments into the Synergy Portfolios

Potential conflict of interest: The FSP carries out activities as an advisor and owns an equity stake in Synergy Multi-managers (Pty) Ltd ("Synergy"). Synergy is an independent specialist multi-manager business that is responsible for the investment management of the Synergy Portfolios. Furthermore, certain representatives of the FSP are members of the Synergy investment committee and may be entitled to an annual investment management fee, financial interest or ownership interest in relation to investments placed in the Synergy Portfolios. A potential conflict of interest may arise where recommendations are made by representatives of the FSP in relation to investments in the Synergy Portfolios.

2) The acceptance of invitations to functions, incentive trip and conferences

Potential conflict of interest: A potential conflict of interest is possible if the sole result of the acceptance of any invitation would be an attempt by a product of service provider to attract business.

Policy: As a point of departure, Key Individuals and Representatives of the FSP are not permitted to accept any invitation that has as its sole purpose an incentive to transfer assets to the applicable provider.

Incentive trips: For purposes of this Policy, incentive trips are defined as any trip, whether local or foreign that has its sole objective the incentivisation of the FSP to place investments with the relevant product or service provider.

Policy: No Key Individual or Representative is entitled to accept any invitation to any incentive trip.

Functions: Functions are defined as marketing events that are organized by product or service providers in an attempt to build relationships with their clients, where the event is held in the Republic of South Africa and does not include the funding of accommodation and travel.

Policy: Key Individuals and Representatives are entitled to accept invitations to functions; however, they are cautioned against accepting more than 2 functions per year from any one product or service provider.

Conference: Conferences are defined as any event that is sponsored by a product or service provider, whether in or outside of the Republic of South Africa, in terms of which the applicable Key Individual or Representative will be exposed to speakers and/or workshops and/or information that could ultimately improve the knowledge base of the business and benefit the FSP's clients.

Policy: Key Individuals and Representatives are entitled to accept invitations to conferences, provided that the prior written approval of the Board has been obtained and provided that the FSP funds all travel and accommodation requirements associated with such trip.

3) Synergy has an indirect shareholding in Ci

Synergy is an indirect shareholder of Ci Collective Investments (RF) (Pty) Ltd ("Ci"). Ci is approved by the Financial Sector Conduct Authority as a manager in terms of the Collective Investment Schemes Control Act. Ci is responsible for hosting and administering the Synergy Portfolios. As a shareholder, Synergy may earn dividends from time to time and Synergy's participation in any dividends will be linked to:

- The revenue generated by Ci from the Synergy Portfolios, and
- The revenue generated by Ci from investments in any Ci institutional unit trust funds

4) Global asset management capability and partnerships

In order to cater for the ever-growing needs of South African investors who wish to globally diversify their investment portfolios, the FSP, through its Mauritian investment management business SMM Global, is a member of the Strategic Investment Partners ("SIP") group of companies in Mauritius. SIP and SMM Global are specialist investment management businesses that focus on managing global investment portfolios.

SMM Global and SIP act as the unrestricted investment advisors and co-investment managers of the Synergy offshore portfolio/s which are domiciled in Ireland, for which they earn a combined annual asset management fee of up to 1%.

The FSP has the authority to invest in the Synergy offshore range of portfolios which are managed by other investment managers within the Synergy global group provided that the FSP does not charge any fees in South Africa against the value of investments that are invested in the Synergy offshore range of portfolios. SMM Global and SIP are entitled to earn an annual management fee of up to 1% on the value of investments in the Synergy offshore range of portfolios.

Mr Malcolm Warner, Mr Kyle Bosman, Mr Sean Holmes and Ms Leigh-Anne Simpson are direct and/or indirect shareholders of SMM Global and SIP and may therefore either directly or indirectly become entitled to dividend distributions from SMM Global and/or SIP. The value of these dividend distributions will not exceed the annual asset management fees earned by SMM Global and SIP.

Reasons why the conflict of interest is unavoidable

1) The recommendation of investments into the Synergy Portfolios

This strategy is unavoidable and in the interests of investors for the following reasons:

- a) It is the only efficient way that the FSP (or FSP group) can actively manage its clients' investments on an ongoing basis given:
 - The number of clients
 - The geographical spread of the clients
 - The number of investment platforms utilised
- b) It is the only way to ensure that clients in similar risk profiles are managed on the same basis without timing and investment constraint differences.

- c) It is a way to ensure that discretionary management does not result in CGT implications for investors
- d) It is the only way of formally ensuring that investors have the benefit of greater transparency in the manner in which their investments are managed and the quantum of the costs that are levied.
- e) The only way to have access to specialised, dedicated asset management expertise and investment research on an ongoing cost-effective basis.
- f) It's the only way to effectively implement the predetermined investment process without the administrative constraints of Lisps (capped funds, funds not on platforms, timing of switches).

2) The acceptance of invitations to functions, incentive trip and conferences

- a) The attendance by the FSP at functions and conferences is the only way for the FSP to remain informed with regard to industry matters, investment related matters, market conditions, product development initiatives and compliance. This is ultimately for the benefit of clients.
- b) It is the best way for the FSP to maintain relationships with key service providers for the benefit of clients.

3) Synergy has an indirect shareholding in Ci

- a) Notice 778 of 2011 of the Collective Investment Schemes Control Act requires that asset managers make an election to either remain on the manco platform that hosted them at that point in time or amalgamate onto their own platform. In this sense, the making of the election was unavoidable. After much investigation, Synergy is of the opinion that the Ci joint venture option is the best option available to clients and to the FSP.
- b) The law requires that each asset manager may only have one manco. Synergy will therefore not be conflicted in terms of having to consider other manco offerings and the election of only one manco is unavoidable.
- c) This is the only feasible way for the FSP to enjoy the strategic freedom that the FSP will need in future to be able to reduce Total Investment Charges TIC's for investors.
- d) The Ci Institutional unit trust funds are the only way that the clients of the FSP can be exposed to reduced asset management costs through aggregation.

4) Global asset management capability and partnerships

This conflict of interest is unavoidable for the following reasons:

- a) This is the only way in which the FSP can ensure that there is no double charging applied to investment portfolios.
- b) This is the only way to aggregate the FSP's global investment scale with the scale of other independent global asset managers with a view to reducing the cost of investing.
- c) This is the only way that the FSP can provide access to institutionally priced investments that are only available to SIP members.

- d) This is the only way for the FSP to have access to the SIP investment and operational specialists.

Specific steps that will be taken by the FSP to mitigate the conflict of interest

In addition to the general mitigation steps specified in the policy, the FSP will take the following specific steps to mitigate the potential risk to clients:

1) The recommendation of investments into the Synergy Portfolios

In light of the fact that this investment strategy is in the best interest of clients, it may continue provided that:

- a) Full disclosure must be given to investors with regard to:
- The fact that the FSP has an interest in the product
 - The nature of the interest and full disclosure of fees earned
 - The nature of the product and all relevant details relating to the product
- b) Institute a pricing policy that will confirm the following:
- No fee increases will take place without prior notice to clients.
 - No performance fees will be levied by Synergy.
 - All rebates will be re-invested back into the funds.
 - As far as possible the aggregated scale will be utilised to negotiate favourable fee deals with underlying managers for the benefit of the client.
- c) The FSP must ensure that it will only recommend the in-house solutions where this is in the interests of the client.

2) The acceptance of invitations to functions, incentive trip and conferences

Please see "policy" statements under the section headed "Identification of conflicts of interest" above.

3) Synergy has an indirect shareholding in Ci

- a) Wherever reasonably possible, Ci will be utilised reduce TIC's for clients.
- b) The aggregated scale of all Ci partners will be used to reduce the costs of the Ci Institutional building blocks.
- c) Full disclosure will be done in all marketing and product documentation.
- d) All non-core activities will be outsourced.
- e) All portfolios will be co-branded so as to ensure that all clients are aware of the link between Ci and Synergy.

4) Global asset management capability and partnerships

The FSP does not charge any fees in South Africa against the value of investments that are invested in the Synergy offshore range of portfolios. In this way the FSP ensures that no "double charging" occurs and the FSP is able to reduce the total investment charges for investors.

ANNEXURE B

LIST OF ASSOCIATES

In terms of Section 3A(2)(b)(iii) of the General Code of Conduct, a conflict-of-interest management policy must include a list of all the FSP's associates

Refer back to the definition of an "associate" and complete the form below. The nominated Key Individual and appointed Compliance Officer must sign and date the annexure. Print additional copies of this page should the need arise.

Associate's Name	Type of Relationship
Strategic Investment Partners	Affiliate
SMM Global	Affiliate

ANNEXURE C

OWNERSHIP INTEREST (FSP)

In terms of Section 3A(2)(b)(v) of the General Code of Conduct, a conflict-of-interest management policy must include the names of any third parties in which the provider holds an ownership interest.

Refer back to the definition of "third party" & "ownership interest" and complete the form below. The nominated Key Individual and appointed Compliance Officer must sign and date the annexure. Print additional copies of this page should the need arise.

Name of 3rd party in which the FSP holds an ownership interest	Nature and extent of ownership interest
Synergy Multi-managers (Pty) Ltd	0%

ANNEXURE D

OWNERSHIP INTEREST (3rd Parties):

In terms of Section 3A(2)(b)(vii) of the General Code of Conduct, a conflict of interest management policy must include the names of any third parties that holds an ownership interest in the provider.

Refer back to the definition of "third party" & "ownership interest" and complete the form below. The nominated Key Individual and appointed Compliance Officer must sign and date the annexure. Print additional copies of this page should the need arise.

Name of 3rd party that holds an ownership interest in the FSP:	Nature and extent of ownership interest:
None	

Confirmation of the acceptance of this policy by the Board of Directors of the FSP

We the board of directors of the FSP hereby confirm our acceptance of this Conflict of Interests Management Policy for and on behalf of the FSP.

Thus done and approved by the Board with effect from 1 June 2022.



Board Member Signature

Malcolm Warner
Board Member



Board Member Signature

Kyle Bosman
Board Member