

CONFLICT OF INTEREST POLICY



COHERENT
CAPITAL MANAGEMENT

2017/319036/07

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1. INTRODUCTION

1.1. This document embodies the Conflict of Interest Management Policy for Coherent Capital Management.

1.2. "Conflict of interest" ("COI") means any situation in which Coherent Capital Management or its representatives has an actual or potential interest that may, in rendering a financial service to a client influence the objective performance of his, her or its obligations to that client; or prevent Coherent Capital Management or its representatives from rendering an unbiased and fair financial service to that client, or from acting in the interests of that client, including, but not limited to –

1.2.1.a financial interest;

1.2.2.an ownership interest;

1.2.3.any relationship with a third party ("third party" means (a) a product supplier, (b) another provider, (c) an associate or 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 paragraph (a) to (d) above provides a financial interest to a provider or its representative))

1.3. The primary objectives of this Policy are –

1.3.1.To provide guidance on the behaviours expected in accordance with Coherent Capital Management standards;

1.3.2.To promote transparency and to avoid business-related COI;

1.3.3.To ensure fairness in the interests of employees and Coherent Capital Management

1.3.4.To document the process for the identification, mitigation, disclosure, approval and review of activities that may amount to actual, potential or perceived COI;

1.3.5.To provide a mechanism for the objective review of personal outside interests.

1.4. Coherent Capital Management is committed to ensuring that all business is conducted in accordance with good business practice. To this end Coherent Capital Management conducts business in an ethical and equitable manner, and in a way that safeguards the interests of all stakeholders to minimize and manage all real or potential conflict of interest (COI). Coherent Capital Management and its representative must therefore avoid (or mitigate where avoidance is not possible) any COI between Coherent Capital Management and a client or its representative and a client.

2. FINANCIAL INTEREST

2.1. Coherent Capital Management or its representatives may only receive or offer financial interest from or to a third party as determined by the Commissioner of the Financial Sector Conduct Authority (“the Commissioner”) from time to time, and as set out in Annexure A hereto.

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

2.2.1. an ownership interest;

2.2.2. training, that is not exclusively available to a selected group of providers or representatives on products and legal matters relating to those products; general financial and industry information; specialized technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training.

2.3. Any financial interest received by an employee of Coherent Capital Management must within 10 days of that receipt be recorded in the gift registry of Coherent Capital Management, attached hereto as Annexure B.

2.4. Coherent Capital Management may not offer any financial interest to its representatives–

- 2.4.1. That is determined with reference to the quantity of business secured for the provider without also giving due regard to the delivery of fair outcomes for clients; or
 - 2.4.2. For giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; or
 - 2.4.3. For giving preference to a specific product of a product supplier, where a representative may recommend more than one product supplier to a client.
- 2.5. For purposes of paragraph 2.4, Coherent Capital Management must be able to demonstrate that the determination of and entitlement to the financial interest takes into account measurable indicators relating to the –
- 2.5.1. Achievement of minimum service level standards in respect of clients;
 - 2.5.2. Quality of the representative's compliance with this Act;
 - 2.5.3. as agreed between Coherent Capital Management and the representative, and that sufficient weight is attached to such indicators to materially mitigate the risk of the representative giving preference to the quantity of business secured for the provider over the fair treatment of clients.

3. MECHANISMS FOR IDENTIFYING COI

- 3.1. Coherent Capital Management seeks to ensure that it can appropriately and effectively identify and manage potential conflicts. It may manage potential conflicts through avoidance or acting with an appropriate level of independence and/or by providing appropriate disclosure of the conflict to affected clients.
- 3.2. In determining whether there is or may be a conflict of interest to which the Policy applies, Coherent Capital Management considers whether there is a material risk of damage to the client, taking into account whether Coherent Capital Management or a Coherent Capital Management employee:
 - 3.2.1. is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
 - 3.2.2. has an undisclosed interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;

3.2.3.has an undisclosed financial or other incentive to favour the interest of another client or group of clients over the interests of the client;

3.2.4.carries on the same business as the client; or

3.2.5.receives or will receive from a person other than the client, an undisclosed inducement in relation to a service provided to the client in the form of monies, goods or services, other than the standard commission or fee for that service.

4. RESOLVING COI

4.1. The first and most important line of defence against COI or commitment must be by the key individuals and representatives themselves.

4.2. Where COI or potential COI is identified, the key individuals and representatives are responsible for applying this policy and taking whatever measures are deemed necessary to mitigate the COI.

5. POTENTIAL COI THAT COULD AFFECT COHERENT CAPITAL MANAGEMENT

5.1. The following are potential COI that could affect Coherent Capital Management –

5.1.1. Directorships or other employment;

5.1.2. interests in business enterprises or professional practices;

5.1.3. share ownership;

5.1.4. beneficial interests in trusts;

5.1.5. Personal Account Trading;

5.1.6. professional associations or relationships with other organizations;

5.1.7. personal associations with other groups or organizations, or family relationships;

5.1.8. Front running;

5.1.9. Rebates;

5.1.10. Kickbacks; and

5.1.11. Commission

6. MEASURES TO AVOID COI

6.1. Although not an exhaustive list, the primary methods used by Coherent to manage actual or potential conflicts of interest include the following internal policies and controls:

6.1.1.A Code of Conduct;

- 6.1.2. Disclosure of conflicts of interests in marketing material to clients and potential clients;
- 6.1.3. Procedures and systems to identify specific situations where there are competing or adverse interests;
- 6.1.4. Oversight of contacts between and within businesses whose clients have adverse or competing interests with the clients of other business units;
- 6.1.5. Policies and procedures ensuring fair and/or equal treatment of clients or classes of clients;
- 6.1.6. Regulation and/or oversight of personal investment and business activities of Coherent Capital Management employees by Compliance to prevent conflicts of interest arising against the interests of clients;
- 6.1.7. Training of employees;
- 6.1.8. Rules governing the acceptance and granting of inducements, including disclosure of such arrangements to clients;
- 6.1.9. The general or specific disclosure of conflicts of interest to clients where necessary, including but not limited to, instances where it is not considered possible to have sufficient arrangements to avoid or wholly manage a conflict of interest.
- 6.1.10. The recusal of any director of Coherent Capital Management from the investment committee in respect of investment decisions relating to a company in which Coherent Capital Management has an ownership interest.

7. DISCLOSURE OF COI

- 7.1. At the earliest reasonable opportunity, Coherent Capital Management and its representative must, in writing, disclose to a client any COI in respect of that client including –
 - 7.1.1. Measures taken to avoid or mitigate the conflict;
 - 7.1.2. Any ownership interest or financial interest that the provider or representative may be or become eligible for;
 - 7.1.3. The nature of the relationship or arrangements with a third party that gives rise to a COI in sufficient detail to enable the client to understand the exact nature of the COI

- 7.2. At the earliest reasonable opportunity, Coherent Capital Management and its representative must, in writing, inform a client of the Conflict of Interest Management Policy and how it may be accessed.
- 7.3. Notification of an actual or potential COI should be made to the person with responsibility for the issue or area in question, such as the relevant management team, supervisor, head of the department or key individual.
- 7.4. In accordance with an employee's obligation to act in the best interest of his or her employer, it is not permissible for employees to engage in conduct that would amount to a COI with Coherent Capital Management.
- 7.5. Staff that fail to disclose a potential or actual COI in accordance with this policy may be liable to disciplinary procedures as governed by relevant industrial awards or agreements.

8. PROCESSES, PROCEDURES AND INTERNAL CONTROLS TO FACILITATE COMPLIANCE WITH THE POLICY

- 8.1. Every staff member must have a copy of the Conflicts of Interest Management Policy.
- 8.2. If a potential COI arises, the transaction must first be discussed with management before entering the transaction.

9. CONSEQUENCES OF NON-COMPLIANCE WITH THE POLICY BY THE PROVIDER'S EMPLOYEES AND REPRESENTATIVES

- 9.1. Non-compliance with this policy and the procedures described in it may amount to misconduct and employees may be subject to internal disciplinary action that may lead to dismissal.

10. LIST OF ALL COHERENT CAPITAL MANAGEMENT ASSOCIATES

- 10.1. Trident Capital

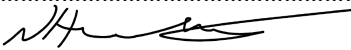
- 10.1.1. A relationship exists between Coherent Capital Management and Trident Capital, whereby Andy Pfaff functions as a key individual for both entities. In addition, Coherent Capital Management receives fees from Trident Capital for the marketing and distribution of funds managed on the Trident Capital licence. Coherent Capital Management is responsible for a portion of the

Trident Capital running costs in exchange for Trident Capital resources utilized by Coherent Capital Management.

11. APPROVAL OF CONFLICT OF INTEREST POLICY

11.1. The senior management in the institution hereby approves this Conflict of Interest Policy and binds itself to create a culture of compliance within the institution.

Full name: Neil Huntley

Signature: 

Designation: Head of Operations

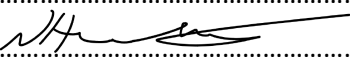
Signed on this day of 26th January 2021 at Hiltone, KZN

ANNEXURE A - FINANCIAL INTEREST

1. Coherent Capital Management or its representatives may only receive or offer the financial interests referred to herein if-
 - 1.1. Those financial interests are reasonably commensurate with the service being rendered, taking into account the nature of the service being rendered and the resources, skills and competencies reasonably required to perform it;
 - 1.2. The payment of those financial interests does not result in the provider or representative being remunerated more than once for the performance of a similar service;
 - 1.3. Any actual or potential COIs between the interests of the client and the interests of the person receiving the financial interests are effectively mitigated; and
 - 1.4. The payment of those financial interest does not impede the delivery of fair outcomes to the client.
2. Coherent Capital Management or its representatives may only receive or offer financial interest from or to a third party as follows
 - 2.1. Commission authorised under the Long-term Insurance Act or Short-term Insurance Act;
 - 2.2. Commission authorised under the Medical Schemes Act;
 - 2.3. Fees authorised under the Long-term Insurance Act, the Short-term Insurance Act or the Medical Schemes Act;
 - 2.4. Fees for the rendering of a financial service in respect of which commission or fees referred to in paragraph (1.1), (1.2) or (1.3) is not paid, if
 - 2.4.1. The amount, frequency, payment method and recipient of those fees and details of the services that are to be provided by the provider or its representative in exchange for the fees are specifically agreed to by a client in writing; and

- 2.4.2.those fees may be stopped at the discretion of that client.
- 2.5. Fees or remuneration for the rendering of a service to a third party.
- 2.6. Subject to any other law, an immaterial financial interest*; and
- 2.7. A financial interest, not referred to under sub-paragraph (1.1) to (1.6), 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.
- 2.8. For purposes of this document -
- 2.8.1.“immaterial financial interest” means any financial interest with a determinable monetary value, the aggregate of which does not exceed R1 000 in any calendar year from the same third party in that calendar year received by –
- 2.8.1.1. a provider who is a sole proprietor; or
 - 2.8.1.2. a representative for that representative’s direct benefit;
 - 2.8.1.3. a provider, who for its benefit or that of some or all its representatives, aggregates the immaterial financial interest paid to its representatives.

Full name : Neil Huntley

Signature : 

Designation: Head of Operations

Signed on this day of 27 January 2021at Hilton, KZN