CONFLICT OF INTEREST POLICY

JUNE 2023

PURPOSE AND SCOPE

Independent Alternatives Investment Managers Pty Ltd is a licensed Financial Services Provider ("FSP") with registration number 2015/267783/07 and with authority to render advisory and intermediary financial services to clients in terms of the FAIS Act. In terms of the FAIS, the company has certain duties to fulfil. One of these duties is to manage conflicts of interests. This policy outlines a suitable, effective, and sustainable approach to the identification and management of conflicts of interest ("COI").

The policy aims to comply with the best practice and statutory requirements as per the General Code of Conduct for Financial Services Providers and Representatives published in Board Notice 80 of 2003 as amended by Board Notice 58 of 2010 as well as other applicable requirements as set out in the Financial Advisory and Intermediary Services Act, 37 of 2002 ("FAIS").

In the event where the FSP renders a financial service to a pension fund, the FSP must apply the stricter limitations in compliance with Directive No 8 of 2018 of the Pension Funds Act, No 24 of 1956 – Prohibition of the acceptance of gratification.

1. "Conflict of interest" means any situation in which the FSP or its representatives have 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 the FSP 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:
   1.1 a financial interest;
   1.2 an ownership interest;
   1.3 any relationship with a third party: third party means
      1.3.1 a product supplier,
      1.3.2 another provider,
      1.3.3 an associate of a product supplier or a provider;
      1.3.4 a distribution channel;
      1.3.5 any person who in terms of an agreement or arrangement
      1.3.6 with a person referred to in paragraphs (a) to (d) above provides a financial interest to a provider or its representatives.

2. The primary objectives of this Policy are:
   2.1 To provide guidance on the behaviors expected in accordance with the FSP's standards;
   2.2 To promote transparency and to avoid business-related COI;
   2.3 To ensure fairness in the interests of employees and the FSP;
   2.4 To document the process for the disclosure;
   2.5 Approval and review of activities that may amount to actual, potential or perceived COI;
   2.6 To provide a mechanism for the objective review of personal outside interests.

3. The FSP is committed to ensuring that all business is conducted in accordance with good business practice. To this end the FSP 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). The FSP and its representative must therefore avoid (or mitigate where avoidance is not possible) any COI between the FSP and a client or its representative and a client.

A. FINANCIAL INTEREST & GRATIFICATION

1. The FSP or its representatives may only receive or offer financial interest from or to a third party as determined by the Authority of Financial Services Providers from time to time, and as set out in Annexure A. In the event where the FSP renders a financial service to a pension fund, the FSP must apply the stricter limitations in compliance with Directive No 8 of 2018 of the Pension Funds Act, No 24 of 1956 – Prohibition of the acceptance of gratification, as set out in Annexure B.

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:

   i. an ownership interests
   ii. 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.

3. "Gratification" means:

   i. money, whether in cash or otherwise;
   ii. any donation, gift, loan, fee, reward, valuable security, property, or interest in property of any description, whether movable or immovable, or any other similar advantage;
   iii. the avoidance of a loss, liability, penalty, forfeiture, punishment, or other disadvantage;
   iv. any office, status, honour, employment, contract of employment or services, any agreement to give employment or render services in any capacity and residential or holiday accommodation;
   v. any payment, release, discharge or liquidation of any loan, obligation, or other liability, whether in whole or in part;
   vi. any forbearance to demand any money or money's worth or valuable thing;
   vii. any other service or favour or advantage of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and includes the exercise or the forbearance from the exercise of any right or any official power or duty;

viii. any right or privilege;

ix. any real or pretended aid, vote, consent, influence, or abstention from voting; or

x. any valuable consideration or benefit of any kind, including any discount, commission, rebate, bonus, deduction, or percentage.

Gratification excludes any remuneration paid by a sponsor of a fund to a trustee appointed by the sponsor of a fund.

4. The FSP may not offer any financial interest to its representatives for giving preference to the quantity of business secured for the provider to the exclusion of the quality of the service rendered to clients; OR giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; OR giving preference to a specific product of a product supplier, where a representative may recommend more than one product supplier to a client.

B. MECHANISMS FOR IDENTIFYING, RESOLVING AND AVOIDING COI

There is the potential for conflicts of interest in any activity, relationship or process the FSP's employees are involved in. All employees, especially managers, need to be aware of this potential.

The first and most important line of defense against COI or commitment must be by the employees and managers (i.e. key individuals and representatives).

The following steps have been put in place:

1. The FSP must always try to avoid a conflict of interest. It is always best to avoid being in a position, where there is a conflict of interest situation between the company and the client's interest.
2. How would the FSP deal with a conflict of interest situation?

Step 1: Identify the conflict

When providing a financial service, you need to ask am I acting independently, objectively and professionally towards the client; am I acting in my or the company's interest or in the client's interests; is the company's interest aligned with those of the client; and if you suspect a conflict you need to report it to the compliance officer who will record it in the conflict of interest register.

Step 2: Manage the conflict

The conflict now needs to be managed by doing an evaluation and deciding on what steps to take. This will entail consideration of whether it is possible to avoid the conflict by ending it the relationship of the product supplier; why can the conflict not be avoided or ended; what can be done to control and or mitigate the conflict; what to tell the client about the conflict; and when and how the client will receive disclosure?

Step 3: Avoid / Mitigate the conflict

If the evaluation found that it is feasible for the conflict to be avoided by ending the situation, this should be done at this point. If the conflict cannot be avoided, the company and the compliance officer will determine which steps can be taken to reduce the negative effects on the customer.

Step 4: Disclose the conflict

The last step is to disclose to the client in writing details about any relationship with a third party that has caused the conflict of interest; what the FSP, has done to manage or mitigate the conflict; details about any 'ownership interest' or 'financial interest' the FSP, or an employee may have that would benefit the employee or company. Disclosures to customers must be meaningful, prominent and specific to each situation. Please refer additional detail in Section D. Disclosure of COI.

C. POTENTIAL COI THAT COULD AFFECT THE COMPANY

The following are potential COI that could affect the FSP:

i. Directorships or other employment;
ii. Interests in business enterprises or professional practices;
iii. Share ownership;
iv. Beneficial interests in trusts;
v. Personal Account Trading;
vi. Professional associations or relationships with other organizations;
vii. Personal associations with other groups or organizations, or family relationships;
viii. Front running;
ix. Rebates;
x. Kickbacks; and
xi. Commissions

D. INSIDER TRADING

The term "insider trading" describes circumstances where an individual, who has price sensitive information, deals in a related security or financial instrument before the information is made available to the rest of the market. Insider trading creates conflicts of interest.

The individual is abusing their knowledge and so placing themselves in a better position than the rest of the market, which conflicts with the concept of market fairness. A representative of IAIM that commits insider trading is additionally placing themselves in a better position than IAIM and/or its clients, so creating a conflict of interests between themselves and IAIM and/or its clients.

E. DISCLOSURE OF COI

1. The FSP must make full and fair disclosure of all material that could reasonably be expected to impair their independence and objectivity or interfere with respective duties to their clients' prospective clients, and employer.

2. At the earliest reasonable opportunity, the FSP and its representative must, in writing, disclose to a client any COI in respect of that client including:

i. measures taken to avoid or mitigate the conflict;
ii. any ownership interest or financial interest that the provider or representative may be or become eligible for;
iii. 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.

F. LIST OF FSP ASSOCIATES

- Names of any third parties in which the FSP holds an ownership interest:
  None
- Names of any third-party suppliers that holds an ownership interest in FSP:
  None
- List nature and extent of ownership referred to in above (where applicable)
  Not applicable

G. CONCLUSION

All of our employees are made aware of this policy to highlight and emphasize the importance of identifying and managing conflicts of interest. Should employee/ representative fail to prevent, mitigate or disclose any conflict of interest, the employee will be subjected to a disciplinary review, where the employee could face suspension pending the outcome of the independent review.

The policy is reviewed on a regular basis and at least on an annual basis, besides that the FSP reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate without notice to the Client. Should you require any further information and/or have any questions about conflicts of interest please direct your request and/or questions to the Chief Executive Officer of the FSP, Mr. Grant Hogan, contactable on 011 234 0187 or via email grant@independentalternatives.co.za.

All representatives of the FSP including key individuals and management are required to be dedicated to upholding the highest level of integrity and ethical conduct in all of their activities and relationships with all stakeholders.

ANNEXURE A: FINANCIAL INTEREST

The Authority of Financial Services Providers issued Board Notice 58 of 2010 (BN 58) under section 15 of the Financial Advisory and Intermediary Services Act, 2002 (FAIS). BN 58 amends the General Code of Conduct for Authorised Financial Services Providers and Representatives under FAIS and determines that a financial services provider or its representatives may only receive or offer financial interest from or to a third party as follows:

i. Commission authorised under the Long-term Insurance Act or Short-term Insurance Act;
ii. Commission authorised under the Medical Schemes Act;
iii. Fees authorised under the Long-term Insurance Act, the Short-term Insurance Act or the Medical Schemes Act, if those fees are reasonably commensurate to a service being rendered;
iv. Fees for the rendering of a financial service in respect of which commission or fees referred to in sub-paragraph (i), (ii) or (iii) is not paid, if those fees –
    a. are specifically agreed to by a client in writing; and
    b. may be stopped at the discretion of that client.
v. 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;
vi. subject to any other law, an immaterial financial interest*; and
vii. a financial interest, not referred to under sub-paragraph (i) to (vi), 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.

* "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 –

1. a provider who is a sole proprietor; or

2. a representative for that representative's direct benefit;

3. a provider, who for its benefit or that of some or all its representatives, aggregates the immaterial financial interest paid to its representatives.

ANNEXURE B: GRATIFICATION

In the event where the FSP renders a financial service to a pension fund, the FSP must apply the following stricter limitations in compliance with Directive No 8 of 2018 of the Pension Funds Act, No 24 of 1956 – Prohibition of the acceptance of gratification.

- Any gratification which objectively viewed, creates a conflict of interest with their fiduciary duty towards the funds;
- Token gift/s that exceed/s the annual limit set by the Board of the Pension Fund in terms of the pension funds' gift policy, which annual limit shall not be more than R500 per annum in aggregate from any one service provider i.e. FSP;
- Any gratification relating to local or international due diligence including but not limited to subsistence, travel, or accommodation;
- Any gratification relation to local or international entertainment or sporting events including, but not limited to, subsistence, travel, or accommodation or;
- Conferencing costs or board of fund expenses.

ANNEXURE C: GIFTS REGISTRY

Name of Key Individual or Representative.	**The date on which gift was received?**	**From which individual or company?**	**The type and nature of gift received?**	**The value of the gift, or estimate value of gift.**