

# WellsFaber Asset Management (Pty) Ltd

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## **CONFLICT OF INTERESTS POLICY (Abbreviated)**

In accordance with our conflict of interests management policy, WellsFaber Asset Management (Pty) Limited ("WFAM") places a high priority on its clients' interests. As conflicts of interest affecting clients could undermine the integrity and professionalism of our business, any instances must be identified as early as possible. If conflict situations cannot be avoided, they must be managed equitably and in the client's interest. Detecting potential or recognized conflicts of interest that could compromise the interest of its clients and managing and limiting the impact of conflicts of interest therefore constitute an integral part of WFAM's duties and obligations.

### **I. Conflict of interest:**

What do we mean by this?

A conflict of interest is a situation in which the interests of WFAM, in the exercise of its activities, and the interests of its clients, are directly or indirectly in competition, and which could significantly prejudice the client's interests. This notion concerns WFAM in its capacity as a management and financial advisory services company, and all individuals working for WFAM. A conflict of interest may occur in the provision of an investment service (management under mandate, fund management and advisory services). A conflict of interest may be recognized (actually identified) or potential (conceivable).

The notice of conflict of interest encompasses a range of very diverse factors such as:

- Rules regarding personal transactions,
- Professional ethics of employees,
- The use of sensitive or privileged information, insider dealing, and professional secrecy,
- Respect for clients' interests,
- Respect for professional obligations in relation to the market and specific to WFAM

### **II. Conflicts of interest:**

What is a conflict of interest situation?

Conflict of interest situations that could prejudice a client may take a variety of forms, whether or not WFAM suffers any financial loss and independently of whether the actions or the motivations of the employees involved are intentional. At least four types of situation are defined by WFAM in respect of management under mandate / financial advisory services to help determine whether a potential conflict of interest situation might occur.

- WFAM or an employee will realize financial gain or avoid a potential loss at the client's expense,

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- The interest of WFAM, or an employee may be different from the client's interest,
- WFAM, or an employee is induced to favour one client over another (whether for financial reasons or otherwise),
- WFAM or an employee will gain an advantage (financial or in kind) from a third party in the execution of the service conducted on behalf of the client.

### **III. Conflicts of interest:**

#### Prevention, detection and management

WFAM has identified specific potential conflicts of interest in relation to its activities which may be encountered by WFAM when we deliver our services to clients. For each situation, WFAM has analysed whether the risk is actual or potential for one or more of its clients. To handle potential or actual conflict of interest situations, WFAM may:

- Conduct the transaction while, given the conflict of interest generated by it, implementing procedures that enable appropriate management of the situation in order to avoid damaging the interests of the client in question
- Avoid conducting the transaction that would potentially generate a conflict of interest
- Inform the client in the event that certain conflicts of interest cannot be properly handled and communicate the necessary information about the type and origin of the conflict of interest to the client, so that the client can make a fully informed decision regarding the proposed transaction.

WFAM has established a management policy for conflicts of interest enabling it to prevent potential conflicts of interest, manage actual conflicts of interest and communicating them effectively to clients. This policy is based on a system of prevention, detection, management, communication and recording conflicts of interest.

Our conflicts management framework document is available to all clients upon request.

Training: WFAM provides awareness training to staff with regard to our conflict of interest management policy.

Detection: WFAM has drawn up a list of recognized and potential conflicts of interest, by recording conflicts of interest and identifying the types of situations generating the conflicts and the associated risks.

Procedure if a conflict of interest arises:

Rose Laros, Compliance Officer, is responsible for the operation and condition of the conflicts of interest register. If a new potential or actual conflict of interest should arise, Rose Laros will send a memo to the board of directors so that the transaction that could potentially generate a conflict of interest may be accepted or declined, and managed in the client's interest. If a conflict of interest cannot be properly managed, the necessary information on the type and origin of the conflict of interest will be communicated to the client, to enable the client to make a fully informed decision. All the documents and supporting evidence will be archived by WFAM.

In general, all measures and complementary procedures will be taken to ensure the required level of independence.

Management: WFAM manages potential and actual conflict of interest situations based on the following:

- Ethical principles = Predominant among these rules are the principles of client sovereignty, equity, impartiality, respect for professional secrecy, market integrity and compliance with laws and regulations.
- A control system to ensure monitoring of the conflicts of interest and corrective measures taken. In this respect, WFAM has procedures detailing the concrete measure to manage potential or recognized conflicts of interest in the interest of the clients.
- WFAM will not deal in any financial product for our own benefit, account or interest, which will compromise a client in any way.