

**Conflict of Interest
and
Corporate Gift Policy**

Vunani Fund Managers (Pty) Ltd [FSP608] is a financial service provider and regulated by the Financial Advisory and Intermediary Services Act.



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1. Introduction

Vunani Fund Managers (Pty) Ltd has established a policy to ensure that the quality of our financial services is not significantly compromised by **conflict of interest** situations that may arise in the normal course of carrying out our business. This policy does not attempt to describe all possible conflicts of interest that may develop.

Vunani Fund Managers' business is predominantly that of a discretionary asset manager.

Conflicts of interest can be described as circumstances where Vunani Fund Managers or a representative of Vunani Fund Manager has an actual or potential interest that may, in rendering a financial service to a client; -

- a) Influence the objective performance of his, her obligations to that client; or
- b) Prevent Vunani Fund Managers or a representative of Vunani Fund Managers from rendering an unbiased and fair financial service to that client, or from acting in the best interests of that client,

Including, but not limited to –

- a) a financial interest;
- b) an ownership interest;
- c) any relationship with a third party;

The aim of this policy is to:

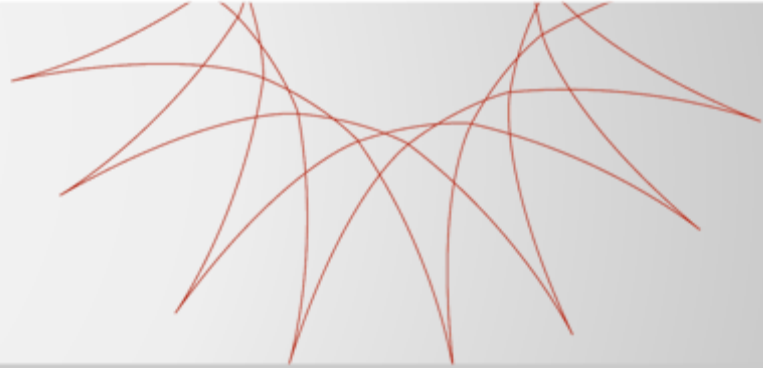
- protect both Vunani Fund Managers and its employees / directors / representatives from any appearance of impropriety;
- ensure compliance with statutory and best practice requirements;
- ensure that all clients are treated fairly;
- encourage disclosure by employees / representatives of potential conflict of interest;
- provide guidelines with regards to soft dollar practices;
- provide guidelines with regards to accepting / offering of gifts, cash and / or non cash incentives;
- Promote transparency.

The implementation, application and ongoing monitoring of the policy is intended to be performed in the least onerous manner possible.

The conflict of interest and corporate gift policy may be amended from time to time, if required by law or in terms of Vunani Fund Managers' internal processes and procedures or other business requirements.

Details of the Compliance Officer and members of the compliance Committee are listed in Annexure A.

All employees are required to sign an annual declaration (Annexure B) wherein they acknowledge their adherence to the conflict of interest and corporate gift policy and submit this to the compliance officer. These records will be kept for a period of 5 years.



This conflict of interest policy has been approved by the Board of Directors of Vunani Fund Managers.

2. Binding

This policy is binding on all employees of Vunani Fund Managers and its directors, excluding non-executive directors, who are only bound by clause 3.

Employees in this regard are assumed to include the following:

- Any direct employee of Vunani Fund Managers;
- Any direct employees of a subsidiary / associate of Vunani Fund Managers;
- Any company that is registered as a juristic representative on Vunani Fund Managers' license and its employees who are registered as representatives of Vunani Fund Managers with the Financial Services Board.

3. Conflict of Interest

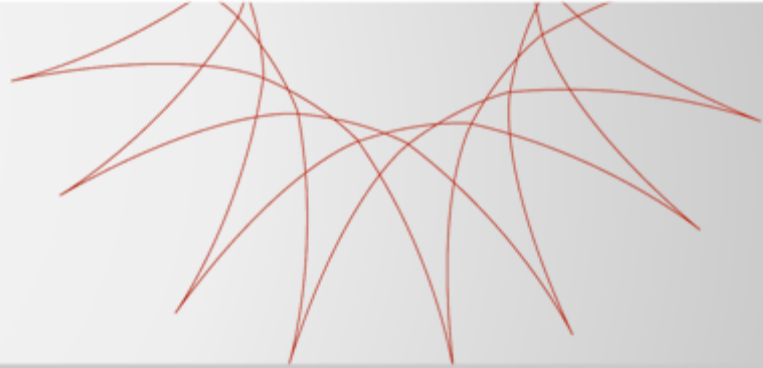
The basic duty to avoid any conflict of interest gives rise to a number of particular duties, which include the following: (but are not limited to)

- The duty to act bona fide in the interests of Vunani Fund Managers and all its clients;
- The duty not to misappropriate opportunities proposed to or pursued by Vunani Fund Managers;
- The duty not to knowingly make any misrepresentations;
- The duty not to compete improperly with Vunani Fund Managers;
- The duty not to use Vunani Fund Managers' resources for personal gain;
- The duty to disclose interests in contracts with Vunani Fund Managers; and
- The duty to only exercise powers for the purpose for which they were conferred.

As a condition of employment no employee may, without the written permission from Vunani Fund Managers, be actively associated with the conducting of any enterprise / business which may conflict with his/her duties to Vunani Fund Managers, or be in direct competition with Vunani Fund Managers. (Annexure C – Disclosure of Interest and Gift Form)

Employees and directors must make full and fair disclosure of all matters that could reasonably be expected to impair their independence, objectivity or interfere with their duties to clients.

The Compliance Officer shall maintain a register of all business interests disclosed. The register shall be reviewed regularly to ensure that there is no evidence of any undue influence or conflict due to employees' 3rd party business interests.



4. Personal Account (“PA”) Trading

Vunani Fund Managers acknowledges the interest of employees in conducting personal transactions in financial instruments and securities. However, such trading should not, represent a conflict of interest, prejudice clients, make use of confidential information, or, negatively impact on the integrity of Vunani Fund Managers. All employees (including representatives) of Vunani Fund Managers are required to sign an acknowledgement confirming their understanding of the policy and provisions and giving their undertaking to adhere thereto. The compliance officer will enforce this as a condition of employment. Employees are required to complete an annual PA Trading disclosure form; both the form and PA trading policy are available on the Vunani Fund Managers intranet or from the compliance officer.

5. Proprietary Trading

Vunani Fund Managers does not partake in any proprietary trading activities.

6. Client Orders

Vunani Fund Managers places orders with execution brokers, on behalf of clients portfolios, in such a way as to ensure that one client will not be treated in such a way so as to create a disadvantage or loss to another client. This includes policies and procedures which include (but are not limited to) the following business activities:

- Placing of orders with execution brokers on behalf of clients portfolios fairly.
- Fair placing of orders when placing orders on behalf of multiple clients’ portfolios.
- Equal disclosure of relevant information to clients.

Vunani Fund Managers has procedures and security measures in place to ensure that confidential information regarding one client’s orders is not inadvertently disclosed to another third party.

7. Soft Dollar / Commission

CFA Institute Soft Dollar Standards provide investment professionals guidance on how to use client brokerage ethically and in a manner that benefits clients. The CFA Institute Soft Dollar Standards are based on the following concepts:

- Soft dollar practices involve the use of client brokerage by an investment manager to obtain certain products and services to aid the manager in its investment decision-making process.
- Soft dollars belong to the client
- Investment managers may only purchase research with client brokerage if the primary use of the research, whether a product or a service, directly assists managers in their investment decision-making process and not in the management of the investment firm.
- Investment managers are fiduciaries and therefore, they have a duty to: act in the best interests of clients and disclose all relevant benefits they receive through client brokerage.



8. Vunani Fund Managers' Soft Dollar Policy:

- To comply with the CFA Institute Soft Dollar Standards above.
- Brokerage is the property of the client.
- Vunani Fund Managers has an ongoing duty to ensure the quality of transactions effected on behalf of its clients include:
 - seeking to obtain best execution;
 - minimizing transactions costs;
 - using client brokerage to benefit clients.
- Vunani Fund Managers must disclose to the client that it may engage in soft dollar arrangements prior to engaging in such arrangements involving the client's account.
- In determining whether to use client brokerage to pay for research, Vunani Fund Managers must use the following criteria:
 - the research under consideration must meet the definition of research as per CFA Institute standards;
 - the research must benefit Vunani Fund Managers' clients;
 - Vunani Fund Managers is able to document the basis for the determinations.
- Vunani Fund Managers must clearly disclose its policies with respect to all soft dollar arrangement to clients.
- If the research does not meet the criteria above then it should be paid for with Vunani Fund Managers' assets, not client brokerage.

9. Research

In determining whether a product or service constitutes "research", it is crucial that the product or service aids the investment decision-making process instead of the general operations of the company. The investment manager must:

- Level 1: define the product or service;
- Level 2: determine that the primary use of the product or service will directly assist Vunani Fund Managers in the investment decision-making process rather than in the management of Vunani Fund Managers the company;
- Level 3: determine what portion of the research will be used by Vunani Fund Managers in the investment decision-making process and only pay for that portion with client brokerage.



10. Fees and Remuneration

As a financial service provider Vunani Fund Managers is entitled to charge its clients fees which are agreed upon and incorporated in our discretionary client mandate. Our mandate allows us to make use of our own staff or duly appointed representative in carrying out our obligations in terms of the mandate. Where use is made of a representative Vunani Fund Manager has a separate agreement in place governing the relationship and fee sharing arrangements between itself and the representative.

Currently two such representative arrangements exist with:

- Orthogonal Investments (Pty) Limited
- Peregrine Financial Products (Pty) Limited

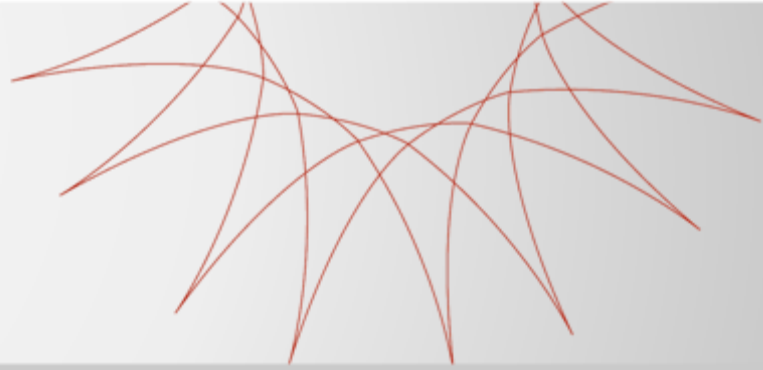
11. Corporate Gifts / Entertainment

Vunani Fund Managers recognizes that in doing business and applying industry norms, employees may be required to accept, receive or give gifts as a token of appreciation. Vunani Fund Managers' business is based on the principals of quality, service and excellence and to avoid any impropriety in the acceptance, receipt and giving of gifts we have established the following guidelines.

Gifts may include, but are not limited to, the following: promotional items such as calendars, pens, clothing, branded products, tickets for sporting and other events, business lunches, entertainment, cash or gift vouchers, sponsored attendance of seminars and /or conferences, travel, gifts in kind (hospitality), sponsorship of events / seminars / conferences.

12. Values and thresholds:

- Small gifts under R500.00, such as pens, calendars, rugby tickets, theatre tickets, are acceptable and must be recorded in the gift register available on the intranet by the employee within 30 days of receipt.
- Any gift, gratuity or other benefit, for which an arms-length payment was not required, received by Vunani Fund Managers employees and having a value in excess of R500, must be pre-approved and disclosed in writing (Annexure C: Disclosure of Interest and Gift Form) to the compliance officer, within 24 hours of receipt. The compliance officer will be responsible for updating the gift register, within 48 hours after approval was given by the compliance committee.
- The acceptance of receipt of cash (bank notes or equivalent) is specifically prohibited.
- The acceptance of discounts in excess of normal commercial practice or free memberships is prohibited.
- Gifts in kind (i.e. hospitality) require prior approval by the Compliance officer.
- Business lunches are a necessity and are useful to promote or expedite business matters and as such are acceptable and need not be disclosed, employees are required to use their discretion as to what is appropriate, given the guidelines contained herein.



- Any gift, gratuity or other benefit offered to a client or third parties exceeding R500 must be pre-approved by the compliance committee. Compliance officer will be responsible for updating the gift register.
- All gifts given to clients and or third parties must be recorded in the gifts register.
- The annual cumulative value of gifts received by an employee must not exceed R5, 000.00 for a single year.

The annual cumulative value of gifts received from a single source may not exceed R1, 000.00 for a single year.

Employees are prohibited from offering or receiving, soliciting or accepting any inducements, gifts, benefits, compensation or consideration that reasonably could be expected to compromise their own or another's independence and objectivity.

Employees are prohibited from soliciting gifts for themselves, their family members or related parties. Attempts by suppliers, clients or third parties to solicit gifts during the course of their interaction with Vunani Fund Managers employees, should immediately be reported to the Compliance Officer.

No employee may approach any client, potential client, supplier or business contact for donations / sponsorships or gifts without the prior approval of the compliance committee. Any approach made by suppliers, clients or third parties with regards to requests for donations / sponsorships or gifts, should immediately be reported to the Compliance Officer.

All gifts sent to clients and sponsorship opportunities need to be signed off by Marketing in order to ensure it is brand compliant and within budget.

Regardless of value, employees should ensure that no gift or series of gifts be accepted which might appear to create a conflict of interest.

In considering whether a gift or form of entertainment is excessive or inappropriate, the Compliance Officer in conjunction with the Compliance Committee will consider the nature of the business relationship and whether it could be regarded as an improper inducement by the employer of the recipient or donor or by any other relevant party.

Vunani Fund Managers shall not offer entertainment to a client, where the client is not accompanied by a Vunani Fund Managers employee nor shall an employee of Vunani Fund Managers accept entertainment where the employee is not accompanied by the donor.

Employees are to notify Compliance in advance of any entertainment which might give the impression of influencing an employees', judgment or behavior in the performance of their duties to Vunani Fund Managers and its clients. Any invitation or entertainment that could be construed to be unusual, or appear to create a sense of obligation to the host or bias in their favor must be refused. This should be assessed in the context of the nature of the invitation, including cost or rarity value and any other relevant factor.



This gifts policy also applies to all suppliers and service providers as well as potential suppliers and service providers.

In the event of uncertainty as to whether a gift or entertainment is appropriate / disclosure is required, employees are required to consult the Compliance Officer.

13. Managing conflicts of interest

Vunani Fund Managers will manage conflict of interest situations in accordance with the steps set out below:

- Identification of conflicts
- Notification of conflicts
- Assess conflicts
- Resolve conflicts
- Reporting and Record keeping

14. Identification of conflicts

Identification of conflicts is the responsibility of all employees and directors of Vunani Fund Managers. In the event that an employee / director is unsure as to whether a situation represents a potential conflict of interest or not, he / she is required to raise the issue immediately with the Compliance Officer.

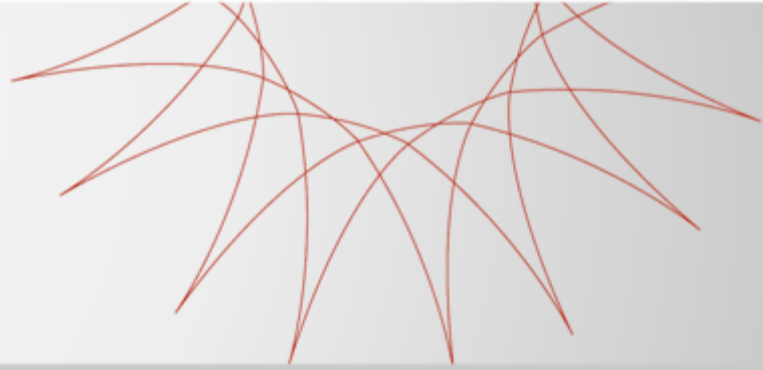
15. Notification of conflicts

Employees and directors are required to immediately raise any conflict or potential conflict of interest that comes to his / her attention to the Compliance Officer, who will assess and monitor all conflict of interest situations.

16. Assess conflicts

The Compliance Officer shall assess all conflict of interest situations. Such assessment shall include (but is not limited to) assessing:

- whether the situation represents an actual or potential conflict of interest;
- how the conflict of interest can be appropriately managed;
- the materiality of the conflict of interest;
- whether the conflict of interest requires immediate notification to the Compliance Committee for further assessment;
- Whether it is necessary to disclose the conflict of interest to the client(s) to agree on a course of action with the client or resolve the matter via another route.



17. Resolution

Vunani Fund Managers will take the necessary actions to resolve and or manage conflicts of interest / potential conflicts of interest. This may include (but is not limited to):

- Managing the situation so as to prevent the conflict of interest arising;
- Managing the situation so as to ensure the interests of Vunani Fund Managers or its employees are not permitted to disadvantage or lead to a loss for the client(s);
- Notifying the conflict of interest to the client(s) so that either a satisfactory course of action may be decided on or the client may elect not to use the service insofar as there is a conflict.
- If a situation arises where Vunani Fund Managers identifies a conflict of interest or potential conflict of interest which relates to a particular client and cannot manage it to its satisfaction, Vunani Fund Managers shall disclose the nature of the conflict of interest to that client before providing any further services to that client in relation to any matter that might be affected by that conflict.

18. Reporting and Record keeping

The Compliance Officer shall maintain a register of all circumstances in which a conflict of interest or potential conflict of interest has been identified as having arisen.

The register will reflect the following:

- Date
- Names of person(s) / client(s) involved
- Short description of the conflict / potential conflict
- Steps taken in order to mitigate the conflict
- Client disclosure and subsequent instructions

The register shall be updated each time a conflict of interest or potential conflict of interest is identified as having arisen and shall be kept for a minimum of five years.

19. Disclosure

Ownership Interest:

Vunani Fund Managers (Pty) Ltd shareholding:

- 51% : Lexshell 630 Investments (Pty) Ltd
- 49% : Vunani Capital (Pty) Ltd

Note:

- Lexshell 630 Inv (Pty) Ltd is a 100% subsidiary of Vunani Capital (Pty) Ltd [Reg Number: 1998/001469/07]
- Vunani Capital (Pty) Ltd is a 100% subsidiary of Vunani Limited [Reg Number: 1997/020641/06]



Juristic Representatives:

The following companies are registered as juristic representatives on our FSP 608 licence:

- Orthogonal Investments (Pty) Ltd
- Peregrine Financial Products (Pty) Ltd

Associated companies:

We make use of Vunani Securities (Pty) Ltd as one of our allocated brokers.



ANNEXURE A – COMPLIANCE COMMITTEE

Name	Telephone No	Cell No	E-mail
Compliance Officer			
Kirsten Elvin-Jensen	021 670-4993	082 4628 090	compliance@vunanifm.co.za
Compliance Committee			
Kirsten Elvin-Jensen	021 670-4993	082 4628 090	compliance@vunanifm.co.za
Romeo Makhubela	021 670-4968	083 286 0850	romeom@vunanifm.co.za
Guy Fletcher	021 670-4969	082 901 9127	guyf@vunanifm.co.za
Azola Zuma	021 670 4968	082 888 0127	azolaz@vunanifm.co.za



ANNEXURE B – ANNUAL DECLARATION

**ANNUAL DECLARATION OF COMPLIANCE WITH
VUNANI FUND MANAGERS (PTY) LTD
CONFLICT OF INTEREST AND CORPORATE GIFT POLICY**

I, the undersigned, _____ an employee / director / authorised representative / subsidiary of Vunani Fund Managers (Pty) Ltd, do hereby acknowledge that I have read and understood the contents of Vunani Fund Managers' Conflict of Interest and Corporate Gift Policy ("the policy") and confirm that –

- a) I accept and agree to be bound by the policy
- b) I have complied with the policy and have made the necessary disclosures

Employee Signature:

Date

Compliance Signature:

Date



ANNEXURE C – DISCLOSURE OF INTEREST AND GIFT FORM

Name of Employee / Director / Representative	
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Disclosure of Interest:

Name of Company	Nature of Interest	% Shareholding & value

Remuneration outside Vunani Fund Managers:

Name of Employer	Business Type

Gifts

Received Given Returned

Description of Gift	Received from / offered to	Value

Employee Signature

Date

Compliance Signature

Date