



HIGH STREET
ASSET MANAGEMENT

**CONFLICT OF INTEREST
MANAGEMENT POLICY**

AUGUST 2022

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1. INTRODUCTION

- 1.1. This document embodies the Conflict of Interest Management Policy for High Street.
- 1.2. "Conflict of interest" ("COI") means any situation in which High Street 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 High Street 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 High Street's 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 High Street
 - 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. High Street is committed to ensuring that all business is conducted in accordance with good business practice. To this end High Street 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). High Street and its representative must therefore avoid (or mitigate where avoidance is not possible) any COI between High Street and a client or its representative and a client.

2. FINANCIAL INTEREST

- 2.1. High Street 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.
- 2.2.3. A recognised qualifying enterprise development contribution to a qualifying beneficiary by a provider that is a measured entity.
- 2.3. Any financial interest received by an employee of High Street must within 10 days of that receipt be recorded in the gift registry of High Street, attached hereto as Annexure B.
- 2.4. High Street 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, High Street 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;
 as agreed between High Street 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. Individual Identification – The primary responsibility for the identification of a COI rests with the representatives, employees and directors of the FSP. Through the process of rendering a financial service to a client a representative must ask themselves the following questions
 - 3.1.1 Is there any situation that exists that influences the objective performance of my obligations to the client
 - 3.1.2 Is there any situation that exists that prevents me from rendering an unbiased and fair service to my client
 - 3.1.3 Is there any situation that exists that prevents me from acting in the best interests of my client.
 If the answer to all three of the questions is “no” then there is no conflict of interest associated with the financial service and the representative may proceed.

 If the answer to any of these questions is “Yes” the representative must proceed to answer the following additional questions

3.1.4 Is the situation caused as a result of an actual or potential relationship with a third party.

3.1.5 Is the situation caused by an actual or potential financial or ownership interest.

If the answer is “yes” to anyone of these questions then an actual or potential conflict of interest will have been identified

3.2 Additional Mechanisms for Identification for the FSP and Representatives

3.2.1 Declarations are signed by all Representatives, Employees, Key Individuals and Directors, (Bi-annually) confirming the presence or absence of actual or potential COI.

3.2.2 A list of all the FSP’s associates is attached as annexure hereto and is updated annually

3.2.3 All gifts received from 3rd parties are, with an estimated value of R50.00 or more are recorded in FSP’s gift register which is kept on the FSP’s compliance file

3.2.4 All records associated with the identification of an actual or potential COI are kept on the compliance file which is available on the FSP’s compliance file.

4. AVOIDING AND MITIGATING COI

Once an actual or potential conflict of interest has been identified, the following procedures will be followed in order to determine whether the conflict of interest is avoidable:

- 4.1. The governing body of the FSP will convene and evaluate the actual or potential conflict of interest in an open and honest manner
- 4.2. All information that’s led up to and resulting in, or causing the actual or potential conflict of interest will be disclosed to the FSP’s governing body and the FSP’s compliance officer
- 4.3. The governing body of the FSP will apply its mind and determine by way of majority vote whether the FSP is in a position to avoid the actual or potential conflict of interest
- 4.4. During the evaluation process, the governing body of the FSP will consider the following possible outcomes prior to a finding in favour of unavailability:
 - 4.4.1. The possible negative impact it will have on the FSP’s clients where the actual or potential conflict of interest is deemed to be unavoidable
 - 4.4.2. The possible negative impact it will have on the integrity of the financial services industry where the actual or potential conflict of interest is deemed to be unavoidable
- 4.5. Where the governing body of the FSP has determined that the actual or potential conflict of interest is in fact avoidable, the following processes will be followed:
 - 4.5.1. The governing body will remove the underlying cause or situation that results in the actual or potential conflict of interest as soon as reasonably possible
 - 4.5.2. Any immediate negative impact or prejudice towards clients pending the removal of the actual or potential conflict of interest will be kept to a minimum

- 4.5.3. The reasons why the actual or potential conflict of interest was determined to be avoidable will be recorded in the FSP's Compliance Manual
- 4.5.4. Similar circumstances that has led up to the actual or potential conflict of interest will be avoided in the future
- 4.6. Where the governing body of the FSP has determined that the actual or potential conflict of interest is unavoidable, the following processes will be followed:
 - 4.6.1. The governing body of the FSP and the FSP's compliance officer will convene and determine the measures that will be implemented in order to mitigate the actual or potential conflict of interest as far as reasonably possible
 - 4.6.2. The reasons why the actual or potential conflict of interest was considered to be unavoidable will be recorded in the FSP's Compliance Manual
- 4.7. Any measures implemented towards mitigating the actual or potential conflicts of interest will include the following arrangements:
 - 4.7.1. The status of whether the actual or potential conflicts of interest's is still deemed to be unavoidable shall be reassessed on a continuous basis
 - 4.7.2. Where a previously deemed unavoidable actual or potential conflicts of interest is subsequently deemed to be avoidable, such actual or potential conflict of interest shall immediately be avoided
 - 4.7.3. All representatives will be notified of any actual or potential conflicts of interest as well as the reasons for its unavoidability
 - 4.7.4. When rendering a financial service, a representative shall be required to disclose to the client in writing that an actual or potential conflict of interest exist
- 4.8. The FSP and/or the FSP's compliance officer shall report on the status of the actual or potential conflict of interest in the FSP's compliance report to be submitted to the Financial Sector Conduct Authority.

5. POTENTIAL COI THAT COULD AFFECT HIGH STREET

- 5.1. The following are potential COI that could affect High Street –
 - 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 RESOLVE COI

6.1 All COI's will be discussed with the key individuals and directors and will be submitted to the board for further investigation and resolving, where required.

In certain instances, resolving a perceived COI will include withdrawing from the transaction in its entirety.

7. MEASURES TO AVOID COI PERSONAL ACCOUNT TRADING

7.1. See annexure B for HSAM Personal Account Trading Policy

8. DISCLOSURE OF COI

8.1. At the earliest reasonable opportunity, High Street and its representative must, in writing, disclose to a client any COI in respect of that client including –

8.1.1. Measures taken to avoid or mitigate the conflict;

8.1.2. Any ownership interest or financial interest that the provider or representative may be or become eligible for;

8.1.3. 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

8.2. At the earliest reasonable opportunity, High Street and its representative must, in writing, inform a client of the Conflict of Interest Management Policy and how it may be accessed.

8.3. 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.

8.4. 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 High Street.

8.5. 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.

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

9.1. Every staff member must have a copy of the Conflicts of Interest Management Policy.

9.2. If a potential COI arises, the transaction must first be discussed with management before entering the transaction.

9.3. Define the type of financial interest to which a representative may be entitled, and how High Street will ensure compliance with paragraphs 2.4 and 2.5

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

10.1. 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.

11. LIST OF ALL HIGH STREET ASSOCIATES

- Michael Patchitt
- Andrew Roy
- Murray Stewart
- Ross Beckley
- Ian Patchitt
- Jo-Ann van der Merwe
- Charles de La Pasture
- Ross Yammin
- Christopher Brownlee
- Vicky Kan

12. NAMES OF ANY THIRD PARTIES IN WHICH THE PROVIDER HOLDS AN OWNERSHIP INTEREST AND THE EXTENT THEREOF

12.1. N/A

13. NAMES OF ANY THIRD PARTIES THAT HOLD AN OWNERSHIP IN THE PROVIDER AND THE EXTENT THEREOF

13.1. N/A

The board of directors hereby approves this Conflict of interest Policy and binds itself to create a culture of compliance within the institution.

Full name:
 Signature:
 Designation:
 Signed on this day ofin

Full name:
 Signature:
 Designation:
 Signed on this day ofin

Full name:
 Signature:
 Designation:
 Signed on this day ofin

ANNEXURE A - FINANCIAL INTEREST

1. High Street 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. High Street 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.

This Annexure has been approved by the board of directors and signed below.

Full name:
Signature:
Designation:
Signed on this day ofin

Full name:
Signature:
Designation:
Signed on this day ofin

Full name:
Signature:
Designation:
Signed on this day ofin

ANNEXURE B – HIGH STREET PERSONAL ACCOUNT TRADING POLICY

It is essential that there is no conflict of interest between the investment decisions made by High Street on behalf of its clients and the employees and shareholders of High Street.

This policy is intended to give clarity to all employees on the policy and procedures to be followed in trading for one's personal account (including trusts / spouses / children or any connected parties). This policy has intentionally been kept simple. If any uncertainty exists, the employee must consult the CEO, Michael Patchitt.

The policy:

1. All employees are obliged to sign a High Street mandate and consequently trade on the High Street administrative platforms only.
1. No employee shall purchase or sell a security while in possession of material non-public information or communicate such information in connection with a transaction. (Insider Trading).
2. If an employee purchases a security in terms of this policy, the minimum holding period should be 3 months.

A director in approving or rejecting a request will consider the relevant conflicts of interest. In particular, whether or not the funds managed by High Street hold the relevant security or are intending to hold the security in the near future.

This Annexure has been approved by the board of directors and signed below.

Full name:
 Signature:
 Designation:
 Signed on this day ofin

Full name:
 Signature:
 Designation:
 Signed on this day ofin

Full name:
 Signature:
 Designation:
 Signed on this day ofin

ANNEXURE C - GIFTS REGISTRY

NAME OF KEY INDIVIDUAL / REPRESENTATIVE	DATE ON WHICH GIFT WAS RECEIVED	SOURCE OF GIFT	TYPE OF GIFT	VALUE OF GIFT