



**CRATOS ASSET
MANAGEMENT**
INNOVATIVE WEALTH CREATION

CONFLICT OF INTEREST POLICY

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INTRODUCTION

1. Cratos Asset Management Pty Ltd (The “FSP” or “CAM” hereafter) is a private company registered in the Republic of South Africa under registration number 2014/201224/07. CAM is a registered Financial Services Provider (FSP no. 46597) and SARB-registered institutional investor, offering bespoke investment solutions, across a broad array of asset classes, to its private client and institutional client base.
2. As a Financial Services Provider authorized by the Financial Sector Conduct Authority (“FSCA”), CAM offers financial services including Category I and II financial products not limited to but including investment products and options in South Africa and across global exchanges.
3. CAM’s head office is located at 57 Smits Road, Dunkeld, Johannesburg. The current board members are Gary Cahn, Dave Smyth and Desmond Esakov and Clinton Banducci is a Key Individual alongside Dave Smyth. The rest of the team is comprised of portfolio managers, brokers, administrators and support staff.

GENERAL

4. This Policy applies to Cratos Asset Management (Pty) Ltd (“CAM”) and all its employees.
5. All employees must take all necessary steps to eliminate any practise and or situation that may create a conflict between the interests of the employee and those of an existing or potential client.
6. A conflict of interest is any situation where an FSP or an employee has an actual or potential interest that may in the rendering of a financial service to a client, influence the objective performance of their obligations to that client or where it prevents them from rendering an unbiased and fair financial service to that client, including but not limited to:
 - 6.1 Financial interest
 - 6.2 Ownership interest
 - 6.3 Any relationship with a 3rd party, including:
 - 6.3.1 A product supplier,
 - 6.3.2 Another provider,
 - 6.3.3 An associate of a product supplier or a provider,
 - 6.3.4 A distribution channel, and
 - 6.3.5 any person who in terms of an agreement or arrangement with a person referred to in 6.3.1 to 6.3.4 above provides a financial interest to a provider or its representatives.
7. Ideally, conflict of interest situations must be avoided. One main objective of this policy is to provide guidance on the behaviours expected in accordance with CAM standards. CAM must promote transparency and endeavour to avoid business-related conflicts of interests to ensure fairness in the interest of clients, CAM, its representatives, employees and associates.
8. Where it is not possible to avoid any act, action or reward that may create a potential conflict of interest, appropriate steps must be taken to mitigate the impact. It must also be appropriately disclosed to the client at the earliest reasonable opportunity. The facts of each situation will determine whether the interest in question is within the area of potential conflict. Such facts would include the amount of business involved, the extent to which the employee could influence the CAM’s decisions with respect to the transaction, and whether the interest is of such a nature that might affect the objectivity or the business judgement of the employee dealing with the client. This policy is also intended to set out the management of any such conflict of interest.

IDENTIFICATION

9. To adequately manage conflicts of interest, CAM must identify all relevant conflicts timeously. CAM employ two different mechanisms to ensure that all conflicts are identified:
 - 9.1 Compliance maintains a register of identified conflicts of interest; and
 - 9.2 this register is updated with all new conflicts as soon as they are identified.
10. The register is reviewed on an annual basis.

POSSIBLE CONFLICT OF INTEREST SITUATIONS

11. Investment Committee Decisions: This will be managed by restricting any decisions to advisory traders and staff members only.
12. Personal Account Trading (“PA Trading”): CAM management believes that it is in the best interest of clients to deal with employees who are themselves experienced investors and willing to invest their own money in the products that CAM offers.
13. PA Trading however, if not carefully handled and monitored, has the potential to place the interests of employees and clients in conflict. For the sake of clarity, front-running of client orders, churning client accounts or any other trading practices that are deemed by management to be in contradiction of the conduct expected of CAM employees will be deemed conflicts of interest and will result in disciplinary action against the employee involved.
14. References in this section to “shares” should be read to include shares, ETFs, CFDs, options, warrants, debentures, futures, bonds, money market, unit trusts, foreign exchange.
15. Requirements in specific circumstances:
 - 15.1 Discretionary accounts: CAM portfolio managers may not trade for their own account ahead of trading in the same counters for discretionary accounts. This means on the same day and for 2 trading days prior to trading for discretionary accounts. For example, if a portfolio manager is adding Nike to client portfolios on a given Wednesday, the portfolio manager should not have concluded trades for his/her own account in the same counters on Monday or Tuesday and must instead wait until all client trades have been concluded before trading for his or her own account.
 - 15.2 Non-discretionary client accounts: employees must conclude all (known) trades for clients in a specific share before trading for his/her own account. If the trading is for a non-discretionary account (i.e. a trade on the instruction of the client), the representative must conclude all outstanding trades for clients before entering trades for his/her own account in the same counter.
 - 15.3 Research reports/recommendations: CAM employees may not trade in a given counter during the 5 days prior to disseminating any CAM research note on a given stock to CAM’s clients. Authors of CAM’s research reports must always disclose whether or not they hold the share covered in a research note that gives a recommendation.
16. If, for any reason, special circumstances arise where a CAM employee wishes to trade during periods prohibited in points 15.1 to 15.3 above, written approval of a CAM Key Individual is required before any trades take place. Such approval will only be given in exceptional circumstances.
17. Should a CAM employee be co-invested with clients in a managed product (for example, CAM’s unit trust or an Equity Index Basket (EIB), trading in this portfolio does not represent a conflict of interest.
18. Gift register: CAM staff are prohibited from accepting or offering any financial interests from or to a 3rd party once the threshold, as determined by the FAIS act, has been reached (currently R1000 per representative per annum). Declarations and a gift register is to be kept. Financial interest means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic and foreign travel, hospitality, accommodation, sponsorship or other incentive or valuable consideration other than-
 - An ownership interest
 - Training that is not exclusively available to a selected group of providers or representatives on products and legal matters relating to those products
19. CAM may not offer any financial interest to its representatives, associates or clients for giving preference to the quantity of business secured for CAM to the exclusion of the quality of the service rendered to clients or giving preference to a specific product supplier.

MANAGING CONFLICT OF INTEREST

20. All employees, including compliance officers and management, are responsible for identifying specific instances of conflict and are required to notify management of any conflicts they become aware of. Managers will escalate the conflict to the compliance officer who will assess the implications of the conflict and how the conflict should be managed.
21. Once a conflict has been identified it needs to be appropriately and adequately managed. Written disclosure of all potential conflicts of interest must be submitted to compliance. Compliance assesses each conflict, whether the conflict is actual or perceived, what the value of the conflict or exposure is and the potential reputational risk.

22. Compliance and management will decide whether it is viable to go ahead with the transaction, or if the conflict is too severe to decline to act.
23. Should it be agreed that the conflict can be mitigated, they will need to agree on the controls to implement to manage the conflict.

RESOLVING CONFLICT OF INTEREST

24. The most important line of defence is the commitment by employees. All employees must familiarise themselves with the policy and always adhere to it. Once a conflict is identified, all parties concerned should be advised, subject to legitimate withholding of confidential information.
25. If a conflict can't be avoided, disclosure should be made.

MEASURE TO AVOID CONFLICT

26. There is a prohibition of external business interest conflicting with the services provided by CAM.

CONSEQUENCES OF NON-COMPLIANCE

27. All employees who do not comply with this policy will be subject to CAM disciplinary policies.

GENERAL STANDARDS OF CONDUCT

28. CAM and its employees must in the conduct of its business, observe high standards of integrity and fair dealing.
29. Employees may not knowingly circulate information which is false or misleading.
30. Employees may not knowingly support any attempt to manipulate the market or to influence persons for such a purpose
31. Employees must conduct activities in a manner that is compatible with the objects of the Act and with full respect for the reputation of the JSE, FSCA and other supervisory bodies, and
32. Employees must conduct activities in a manner that is compatible with the object of the FAIS Act and codes of conduct.
33. In dealing with clients CAM and its employees must:
 - Act honestly and fairly
 - Act with due skill, care and diligence and in the interest of clients
 - Exercise independent professional judgement
 - Act promptly on and in accordance with the instructions of a client, and exercise any discretion in a responsible manner
 - Avoid conflict of interest and when they cannot be avoided, ensure fair treatment to clients by disclosure, confidentiality or declining to act.
34. CAM or its employees must not unfairly place its interest above those of its clients.

DISCLOSURES

35. CAM is not invested in any associate companies. CAM also does not hold any ownership interest in any other companies.
36. Representatives of CAM hold Equity Ownership in CAM which is fixed. They form part of the Management Team / Investment Committee.
37. Conflict of interest is avoided as Reps do not have any interests which influence objective performance. Reps have no relationships with 3rd parties. No Commissions are paid to 3rd parties.
38. Below is the ownership interest of CAM:

Name	Ownership
DJ Smyth	26.6%
DE Esakov	26.7%
GD Cahn	26.7%
AJ Gray	10%
CL Banducci	10%

AUTHORITY AND MANDATE

The Conflict of Interest Policy is approved by way of approved resolution of the CAM Board. The EXCO is responsible for the adherence to and implementation of this plan throughout the organization.

Sign off



Name: David Smyth

Date: 16 February 2023

Position: Key Individual(s)