



TREATING CUSTOMERS FAIRLY (TCF) POLICY

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1. BACKGROUND TO TCF

The Financial Sector Conduct Authority of South Africa's ("FSCA") principles-based Treating Customers Fairly ('TCF') initiative has as its aim the raising of standards in relation to the fair treatment of clients to whom financial services are provided in South Africa, in order to enhance the client experience. In this regard, the FSCA has outlined six key outcomes¹ which are central to the TCF initiative:

- | **Outcome 1:** Customers are confident that they are dealing with firms where the fair treatment of customers is central to the firm culture.
- | **Outcome 2:** Products and services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly.
- | **Outcome 3:** Customers are given clear information and are kept appropriately informed before, during and after the time of contracting.
- | **Outcome 4:** Where customers receive advice, the advice is suitable and takes account of their circumstances.
- | **Outcome 5:** Customers are provided with products that perform as firms have led them to expect, and the associated service is both of an acceptable standard and what they have been led to expect.
- | **Outcome 6:** Customers do not face unreasonable post-sale barriers to change product, switch provider, submit a claim or make a complaint.

TriAlpha Investment Management (Pty) Ltd ("TriAlpha" / "the company") acknowledges that the fair treatment of its clients and the provision of excellent service is central to its success and sustainability.

2. PURPOSE

The purpose of this policy document is to communicate how we as TriAlpha aim to ensure that the above themes are embedded in our approach to dealing with our clients.

3. SCOPE & APPLICATION

The scope of this policy extends to all personnel employed by the company as well as its board of directors. Its application is commensurate with the size and complexity of the company's operations at any given point in time.

¹ Similar to the TCF initiative and outcomes launched by the Financial Services Authority in the United Kingdom

4. BACKGROUND TO THE COMPANY

TriAlpha is a specialist South African-based investment management firm, predominantly focused on managing enhanced Cash and Fixed Income long-only and hedge fund institutional and retirement fund investment mandates using a portable alpha approach. The company commenced operations in 2006 and has experienced steady growth since its inception. Its purpose is to contribute to retirement fund members and their dependents sustaining their current lifestyles post-retirement. Through a lean, hybrid process of asset and multi-management, the company generates incremental alpha (benchmark outperformance) for its clients, with an intense focus on downside risk protection. Key resources being its people, systems and investment management partners are funded through charges that are based on a percentage of the investor assets that the company manages.

5. OUR APPROACH TO TCF COMPLIANCE

5.1 Leadership

The company acknowledges that the TCF initiative is not a compliance function but rather a concept that is pervasive throughout the company's operations. Therefore, its board of directors and senior management, in conjunction with the company's risk and compliance function, must:

- | adopt the TCF objectives and embed TCF outcomes in the company's value statement and ethics policy
- | communicate these objectives to all staff
- | assess the company's TCF readiness
- | identify gaps
- | put in place the necessary management information to monitor TCF outcomes achieved progress
- | put in place the necessary processes that will address the gaps

5.2 Business cases and company projects

Business cases and company projects that directly impact on our clients will consider TCF implications. The company has existing structures and forums where TCF-type matters can be discussed and debated.

5.3 Governance & controls

As TriAlpha has formulated an Enterprise Risk Management Framework in an effort to manage all categories of risk the business is exposed to, TCF policy formulation and monitoring has been assigned to the company's Risk and Compliance Committee for oversight. The company's enterprise-wide Risk Map has been updated to include TCF risks. The company has appointed a TCF Officer who reports to the Risk and Compliance Committee and is responsible for:

- | updating this policy document
- | implementing appropriate systems that will assist the company in achieving the TCF fairness outcomes that are relevant to the company
- | monitoring and reporting on the company's progress with regards to the integration and subscription of TCF outcomes-based approach in the company
- | making relevant proposals to the various forums where the achievement of the TCF objectives form part of the standing agenda items
- | representing the company at relevant internal and external forums that promote best-practice in the TCF area

5.4 Performance management, recruitment & rewards

We have leveraged our recruitment processes to deliver on the company's TCF objectives by virtue of the fact that all appointment letters and employment contracts explicitly make reference to the company's desire to achieve the TCF fairness outcomes. Personnel who have been allocated TCF deliverables also undergo the necessary training. Performance appraisals and concomitant reward structures of those relevant personnel who have TCF responsibilities reflect their respective TCF obligations.

5.5 Measurement & management information

The company has developed appropriate management information systems and controls that allows it to measure TCF effectiveness, analyse and act on findings, monitor and respond to TCF-related economic and regulatory developments and improve TCF outcomes for its clients. The management information metrics are constantly reviewed to ensure they remain relevant for the purposes of guiding the firm in achieving the TCF outcomes. These management information metrics are formulated by management and updated on an ad-hoc basis depending on the view of its relevance. All changes to the management information metrics utilised require Risk and Compliance Committee approval. The management information metrics are utilized in the TCF Readiness Assessment, the frequency of which is stipulated in TriAlpha's Risk Map. The TCF Readiness Assessment will detail information such as the current readiness assessment score, a gap analysis and action plan to improve the TCF readiness assessment score. The TCF Readiness Assessment is also used in the ongoing progress monitoring on achieving the TCF fairness outcomes, this is done through the undertaking of an annual review summary which is submitted to the Risk and Compliance Committee for approval. Once the annual review summary is approved it is submitted to the board of directors of TriAlpha for noting and discussion.

5.6 Products & services

The company has developed processes that ensure the fair treatment of clients in terms of, but not limited to:

- | product design and approval

- | pricing
- | managing conflicts of interest where they cannot be avoided
- | products and service levels meeting our clients' expectations
- | our clients' ability to raise complaints and for those complaints to be fed into new product design

5.7 Product information & communication

Within the context of the company operating in a market segment that contains a plethora of technical and complex information, save for divulging information that will diminish the company's competitive advantage, any product information provided to our clients is, to the company's best ability, accurate, timeous, regular, clear, and appropriate and does not contain hidden conditions. The company has developed approval processes for the distribution of all its product information with sign-off at an appropriate level of authority. The company has assigned the Managing Director as the key contact person for material interactions with its clients.

5.8 Advice

The company does not engage in the activity of providing investment advice to its clients. Should its status with regard to this activity change, this policy document will be updated accordingly.

5.9 Product performance & client confidentiality

The company has developed processes for the on-going monitoring of environmental, economic and regulatory developments that could impact on the extent to which the company's investment products will meet its clients' reasonable expectations. Similarly, processes and controls have been put in place to protect the confidentiality of all customer information. The company's service standards are documented in client investment mandates.

5.10 Post-sale barriers, product switches and complaints

TriAlpha does not impose unfair post-sale or product-switching barriers on its clients. The company responds in a timely manner to our clients' and prospective clients' questions and queries, and address any issues or concerns promptly. All customer complaints are dealt with and escalated as appropriate and as required by us in order to meet our obligations to our clients and our regulator.

6. CONTACT DETAILS

Please contact the following person in relation to any details pertaining to this policy:

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