



BLUEALPHA

INVESTMENT MANAGEMENT

TREATING CUSTOMERS FAIRLY (TCF)

Introduction:

BlueAlpha is committed to incorporate the 6 TCF outcomes within our total approach towards business and we continue to ensure the outcomes are embedded into all our business processes and activities. Our Board of Directors and management team are dedicated to ensure that fair treatment of customers is deeply rooted within the business culture and that all our staff apply the principle of Treating Customers Fairly in their day to day activities.

Our values:

BlueAlpha seeks to always put the interest of the client first. We are committed to building strong long-term relationships with our clients and therefore put emphasis on ensuring we act with integrity, think from the client's perspective, enable the client to make informative decisions and for them to establish a strong level of trust with us. We follow a client centric approach to business and aim to remain uncompromising about ethics and good governance across all areas of our business.

Treating Customers Fairly Framework:

BlueAlpha respects the Regulator's mission to maintain a sound financial investment environment in South Africa and acknowledge its mandate to promote:

- fair treatment of consumers of financial services and products
- financial soundness of financial institutions
- systematic stability of financial industries
- integrity of financial markets and institutions

We welcome the TCF initiative and commits itself to align our culture and business processes in such a way as to ensure that the six outcomes of TCF are at all times achieved.

The six outcomes of treating clients fairly will be achieved by ensuring that:

- our clients are at all times confident that their fair treatment is central to our corporate culture
- any products and services marketed and sold by us in the retail market are designed to meet the needs of identified client groups and that any related targeting of our clients are done so in accordance with this standard
- our clients are at all times provided with clear information and are kept appropriately informed before, during and after the point of sale
- where our clients receive advice, that the advice is suitable and takes into account the individual client's circumstances
- our clients are provided with products that performs as we have led them to expect and that any associated services is also of the standard that we have led them to expect
- our clients do not face any unreasonable post-sale barriers should they wish to change their products, switch to another FSP, submit a claim or submit a complaint about our services

The Six Fairness Outcomes

Outcome 1: Clients are confident that they are dealing with FSPs where the fair treatment of clients is central to the FSPs culture

It is our committed objective to ensure that all our clients or potential clients can be confident that they are dealing with an FSP where the fair treatment of clients is central to the corporate culture.

We use our best efforts to ensure that at all times our staff members act honestly, fairly, with due skill, care and diligence, and in the interests of clients and the integrity of the financial services industry.

Delivery of the TCF outcomes is a core feature of BlueAlpha's values, code of conduct and ethics policy.

HOW THIS IS IMPLEMENTED BY BLUEALPHA TO ACHIEVE POLICY OBJECTIVES:

LEADERSHIP

- Senior management have adopted the TCF deliverables and accept their responsibilities in terms thereof. Senior management in all areas of our business that contribute to the rendering of financial services to clients (whether directly or indirectly), understand their respective roles in delivering TCF outcomes to those clients.

DECISION MAKING

- Oversight and monitoring of TCF delivery has been assigned to the governance and control structures of the organisation tasked with risk management and the compliance function.
- Due Diligence questionnaires are completed on all third parties before entering into an agreement with them to ensure consistency of the TCF outcomes throughout our organisation.

EMPLOYEE PARTICIPATION

- BlueAlpha's Board of Directors and senior management have approved the TCF Policy and ensure when decisions are made, the 6 TCF outcomes are incorporated into the decision making process.
- All staff members (including senior management) whose roles require delivery of TCF outcomes have been identified.
- Staff members undergo training on TCF principles and deliverables.
- Recruitment processes have been revised to ensure staff in relevant positions will have the necessary skills to achieve the outcomes of TCF.
- All staff members are aware of the requirement to treat clients fairly. This Policy has been circulated to all staff members and staff members.

Outcome 2: Products and services marketed and sold in the retail market are designed to meet the needs of identified client groups and are targeted accordingly.

- Our products which are aimed at the retail market are designed to meet the need of the client. Objectives of the funds are detailed in the MDD (minimum disclosure document) as well as on the website, therefore before investing, the client has a good understanding of the product and if it matches their needs.
- Institutional offerings are governed by clear mandate agreements which are agreed with the client.

Outcome 3: Clients are provided with clear information and are kept appropriately informed before, during and after the point of sale.

- We assess the clarity, appropriateness and fairness of product information provided to clients, whether such information is produced by ourselves or by others and all product related information requires sign-off by senior management.
- We monitor and act on client feedback, complaints and suggestions received from clients, staff members or any other parties that communicate the need for improvement in product information.
- We provide all existing investors with investment statements every quarter. This statement allows the investor to clearly see the value of their investment(s) at a given date. Statements includes details such as income distribution amounts, withdrawals and additional investments. A more detailed statement is available to the client on request or online. Investors are also given the option to obtain online access to their investment through a secure investment portal. This allows investors to view and transact on their account in real time. IT3B statements are issued to investors for tax purposes. Any ongoing incentives, consideration, commission, fee or brokerage payable in respect of such products are clearly displayed on statements.
- We ensure that clients are informed of any recent or pending changes to our products, contractual events or any actions required from them, and that such information is provided in sufficient time to enable any client to reasonably respond to or act on that information.
- We ensure that clients have current and accessible contact points if they need product or service information or need to get in contact with our functional departments for any reason.
- Detailed disclosures are included in forms when transacting with BlueAlpha's retail funds. When applying to invest for the first time with BlueAlpha, clients are required to complete an application forms with terms and conditions that apply to the relevant investment. A detailed annexure is also included with the application form which is clear and plain language. Clients need to sign this before an instruction will be processed. (Please refer to Annexure A)
- We have a link on our client forms that directs the client to BCI's website where further fund information and disclosures can be accessed.
- Clients are kept updated when investment instructions are received by the administrators. Clients also receive quarterly statements and a quarterly newsletter with relevant fact sheet (MDD) from BlueAlpha.
- Fund performances and key information are published monthly through Minimum Disclosure Documents available on BlueAlpha's website. These documents all meet the requirements as per CISCA (Board Notice 92 of 2014). Our website is updated with most recent MDD's and fund information.
- Clients have the option to register for online access where they can see real time values and performances of their investment.

Outcome 4: Where consumers receive advice, the advice is suitable and takes account of their circumstances.

- BlueAlpha does not provide financial advice to customers.

Outcome 5: *Clients are provided with products that perform as the firm has led them to expect, and the associated service is of an acceptable standard and as they have been led to expect.*

- We have clear agreements in place regarding the division of responsibilities between the various parties to ensure the fair treatment of clients.
- We conduct an appropriate level of due diligence on any such third party, before dealing with them, to satisfy ourselves that TCF outcomes are adhered to and that the products and / or service levels, as the case may be, are likely to be as clients (and we) have been led to expect.
- We ensure all information provided to clients is in clear, plain English, avoiding jargon or complicated terminology.
- Performance of funds is independently verified by third party providers. We use MoneyMate (Fund Focus) and Bloomberg to ensure performance figures are accurate.
- Our Minimum Disclosure Documents are approved by a third party's compliance department (Boutique Collective Investments) before being uploaded onto our website or distributed to client's.

Outcome 6: *Clients do not face unreasonable post-sale barriers imposed by financial institutions to change product, switch provider, submit a claim or make a complaint*

COMPLAINTS HANDLING

- We inform clients (before complaint stage) of the process that must be followed in order to submit a complaint and of the various options available for further recourse if the client is dissatisfied with the outcome of the complaint. This is available on our website www.bluealphafunds.com
- Once a complaint has been received, whether we are dealing with the complaint ourselves or where we have referred the complaint to another party, we keep clients informed of its progress (including the contact details of the person responsible for processing the complaint)
- When responding to a complaint, we provide clear reasons for our response (including where the response is favourable to the client), with supporting evidence where relevant.
- Where a request for redress is declined, wholly or partially, we inform the client of the steps that may be followed in order to have the decision reviewed.
- Complaints processes are structured in such a way as to ensure that there are no conflicts of interest and that all decisions are based on objective facts and criteria.
- Complaints processes are structured in such a way as to ensure that complaints of a similar nature have a similar outcome.
- Follow-up processes are in place to determine the client satisfaction levels of complaints that have been finalised.
- Complaints are handled fairly, and efficiently. We aim to resolve a complaint as soon as reasonable possible.

FUND ADMINISTRATION

- We ensure clients can invest without paying any/ once off charges and are not penalized or charged when redeeming funds.
- Withdrawals are redeemed at the price calculated according to the requirements of the Collective Investment Schemes Control Act, 2002, and in line with the terms and conditions of the relevant Deeds and will be paid to the unit holder within 2 business days. This is the standard withdrawal process and this process is communicated on withdrawal form the client is required to sign prior to the withdrawal.
- No additional charges/ penalties are levied if a client wishes to switch funds.

ANNEXURE A

ANNEXURE A TERMS AND CONDITIONS

Boutique Collective Investments (RF) (Pty) Ltd administers the BCI unit trusts. It is authorised to do so as a Manager, in terms of the Collective Investment Schemes Control Act. In this document it will be referred to as "BCI".

1. This application and the Deed will form the agreement between the investor and BCI. The agreement will be administered in terms of the Collective Investment Schemes Control Act, No 45 of 2002 ("The Act").
2. The investor applies to invest in the Collective Investments managed by BCI in accordance with the provisions of BCI at the ruling purchase price at the close of business on the date of receipt of the funds by BCI, or being placed in receipt of this application, whichever is the later, provided it is received by the daily cut off time of 14h00 (South African time). If received after 14h00 (South African time) then the following business day's ruling prices shall be used to calculate the purchase value of the investment. Withdrawal transfers may be delayed if assets have to be liquidated
3. The risk profile of the investment has been explained to the investor in terms of the underlying assets (equities, bonds and cash). Collective Investments should be considered a medium to long term investment. Collective Investments are sold at ruling prices. Forward pricing is used to determine the net asset value. Commission and incentives may be paid and are included in the overall costs. The value of the participatory interests may go down as well as up and past performance is not necessarily a guide to the future performance. BCI is a member of the Association for Savings & Investments SA ("ASISA"). BCI does not provide any guarantee in respect to the capital or return of any portfolio
4. A fully completed application form, together with proof of deposit and additional supporting documents as required by BCI must be received before 14h00 to be transacted at the NAV price for that day. Money Market Funds must be received before 11h30. BCI will not proceed with any transaction if there is any doubt as to the validity of any signatures or if BCI deem the instruction to be incomplete in any way. An instruction will be deemed to be complete on receipt of cleared identifiable funds in the bank account and all required documentation.
5. Participatory interests ("units") are priced using the forward pricing method, and prices are calculated on a Net Asset Value (NAV) basis. The NAV price is the price at which you can buy or sell units. NAV can be defined as the total market value of all assets in the fund, including any income accruals, less any permissible deductions in terms of the Act, divided by the number of units in issue.
6. The funds are priced daily at 15h00. Fund of Funds are priced at 08h00 (T+1).
7. The manager may borrow up to 10% of the value of the fund where insufficient liquidity exists in a fund, or where assets cannot be realised to repurchase or cancel participatory interests

8. The annual management fee is levied monthly on the daily value of the fund.
9. BCI will not be liable for any loss incurred due to incorrect information being supplied by the investor or the financial advisor.
10. Without prejudice to any other rights which BCI may have in terms hereof or at law, the investor agrees that BCI shall be entitled to recover from the investor any amount of money paid to the investor which the investor is not entitled to for whatsoever reason, including interest thereon.
11. Should BCI be prevented from fulfilling any of its obligations in terms of this application as a result of an event not within the reasonable control of BCI, those obligations shall be deemed to have been suspended to the extent that and for as long as BCI is prevented from fulfilling those obligations
12. In the event of participatory interests being redeemed, payment will only be made into the investor's bank account as set out in the banking details' section.
13. All fees and expenses applicable to the investment as explained to the investor shall be deducted from the investments.
14. The investor's chosen service address ("domicilium") for the receipt of all notices and processes given in terms hereof, is the physical address detailed on this application form or as detailed in writing.
15. All payments will be electronically transferred into the bank account of the investor only. In the case of third party withdrawal requests, the investor indemnifies BCI against any loss, damage, cost or claim arising or connected with such payment.
16. Only signed instructions will be acted upon.
17. Should you not receive your statements, please email us on clientservices@bcis.co.za or call us on (0)21 007 1500/1/2.
18. BCI is committed to ensuring that the principles of Treating Clients Fairly is applied across all business activities. The fair treatment of clients and excellent provision of client service is essential to the success of BCI. Should you wish to lodge a complaint regarding the services being provided, please refer to our complaints procedure on www.bcis.co.za or alternatively send an email to us at complaints@bcis.co.za.
19. Redemptions: BCI retains the right to redeem to the client's bank account any balances less than R100.00
20. Unclaimed assets
As member of the Association for Savings and Investment SA ("ASISA"), BCI follow ASISA's Unclaimed Assets Standard. BCI has an obligation to initiate tracing procedures in the event of a trigger event. These trigger events include e.g. returned income distribution payments, returned redemption payments or income statement and/or annual unit holder reports. BCI will try to contact you using any contact details which may be available on our internal database or external information providers. These tracing processes will be followed within 6 months, 3 years and 10 years of the deemed date of the trigger event. In the event that the first step of minimum tracing proves to be unsuccessful, any reasonable direct administrative and tracing costs may be recovered from the investor. Tracing may cease if the value of the investment is less than R1 000. It is the investor's responsibility to inform BCI of any changes in personal information in order to avoid an investment becoming an unclaimed asset. By attaching your signature to this application form, you consent to using your personal information to facilitate tracing where required. For further information regarding the ASISA Standard for Unclaimed Assets and the processes BCI will follow please visit www.asisa.org.za or alternatively you can view the Standard on BCI's website www.bcis.co.za.
21. **The Effective Annual Cost (EAC) is a measure which has been introduced to allow you to compare the charges you incur and their impact on investment returns when you invest in different Financial Products. It is expressed as an annualised percentage. The EAC is made up of four components, which are added together, as shown in the table below. The effect of some of the charges may vary, depending on your investment period. The EAC calculation assumes that an investor terminates his or her investment in the Financial Product at the end of the relevant periods shown in the table.