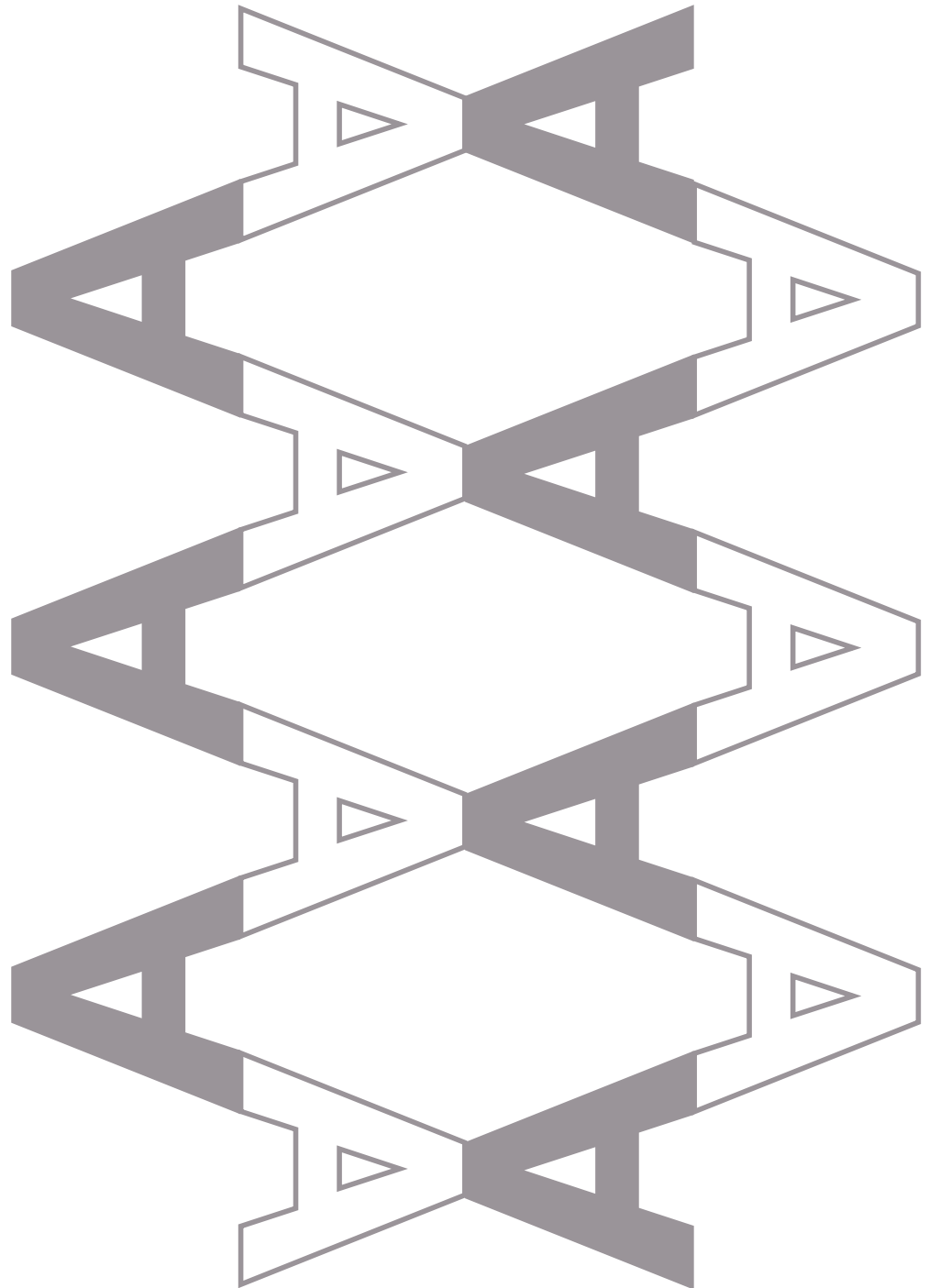


# TREATING CUSTOMER FAIRLY POLICY



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## 1. Introduction

Argon Asset Management (Pty) Ltd (“Argon”) is an Authorised Financial Services provider (“FSP”). We are committed to high ethical standards, integrity and fair dealing in conducting our business affairs. We are committed to complying with both the letter and the spirit of applicable legislation and to act with due skill, care and diligence. Treating customers fairly (“TCF”) ensures that customer satisfaction is maintained through the provision of superior asset management services which are designed specifically to meet our clients’ needs. This policy is an integral part of this objective and is structured to ensure that we continue to deliver fair outcomes to our clients. It is imperative that all staff take responsibility for the maintenance of TCF within the firm by ensuring that enhanced service quality is provided to clients, based on a culture of openness and transparency and in line with our core value of “client-centricity”.

## 2. Governance Structure

### 2.1 Board of Directors

The Board of Directors of Argon (“the Board”) is ultimately responsible for overseeing compliance with legislative requirements. The Board has committed itself to ensuring that the affairs of the company are managed with integrity, that the business complies with all regulatory and best practice dictates and is conducted in accordance with the highest ethical standards.

### 2.2 Audit, Risk Management and Compliance Committee

The Board has established an Audit, Risk Management and Compliance Committee (“the ARC”) to which it has delegated the authority to oversee all matters related to risk management and compliance management within the company. The ARC is comprised of two Independent Non-Executive Directors supported by the external Compliance Officer, Chief Executive Office, Chief Operating Officer and the external Audit Partner.

Specifically, the ARC has the following responsibilities:

- Review Argon’s risk framework for identifying, monitoring and managing significant business risks.
- Ensure that Argon has implemented an effective policy in order to enhance the company’s ability to meet its objectives.
- To ensure that disclosure regarding risks is comprehensive, timely and relevant.
- Oversee the financial reporting risks and the adequacy of the systems of internal controls.

- Review the annual financial statements and financial reporting in general.
- Oversee Information Technology related risks.
- Recommend external auditors to the Board.
- Monitor management’s response to reviews and recommendations of the external auditors regarding internal control systems and procedures.
- Review the adequacy of resources and governance arrangements of the Compliance Function.

### 2.3 The Chief Executive Officer

The Board has delegated all operation duties to the Chief Executive Officer (“CEO”). The CEO has in turn delegated various responsibilities to the Management Committee who assists him to operationalise the company strategy and fulfil this mandate.

### 2.4 Management Committee

The Management Committee (“MANCO”) is the first line of defence and is responsible for monitoring and identifying risk across the firm and feeds into ARC or the Board of any potential risks identified.

These managers are responsible for their departments and are tasked with the responsibility of ensuring that the objectives of TCF are adhered to in their respective divisions. These responsibilities include monitoring employees’ performance to ensure key performing indicators relating to the TCF outcomes are met and where there are issues these are addressed.

### 2.5 Employees

Argon and its employees have committed themselves to acting in accordance with high ethical standards as outlined in the Argon’s Code of Ethics and are also expected to act with the highest level of integrity when dealing with its clients. It is a condition of employment that in the course of employment all employees are required to put the interest of Argon and its clients above their own personal interest.

## 3. Objectives

The objective of this policy is to:

- Indicate how the firm achieves the six desired outcomes of TCF as set out under section 4 below. It is, however, acknowledged that the firm has limited direct exposure to the retail market and does not render advice as a regular feature of its business.
- Ensure that clients are treated fairly and with due regard to their best interests.
- Ensure transparency and accountability for all actions with and on behalf of clients.

- Ensure all clients are treated equally.
- Ensure clients' needs are responded to with the highest level of expertise and service.

#### 4. Application

The policy is applicable throughout the firm and its entire life cycles. The policy supports all functions of the company pertaining to product design, provision of disclosure and communication to clients, provision of advice, product performance and product integrity and post- sale servicing - including but not limited to complaints handling.

The policy is applicable to the Board, its subcommittee(s), employees, associates and compliance officer appointed by Argon.

The policy is applicable in all dealings with clients and is operationalised through the Compliance Function of the Company. The policy should be read in conjunction with the firm's Code of Ethics, Complaints Resolution Policy, Conflicts of Interests Policy, Gifts and Benefits Policy, Personal Account Trading Policy, Trade Allocation Policy and Brokerage Allocation Policy.

#### 5. Treating Customers Fairly – Outcomes

- *[Customers are confident that they are dealing with firms where fair treatment of customers is central to the firm culture]*

Argon is committed to achieving this goal by establishing several policies that make provision for the establishment of the culture of/and fair treatment of clients. These include the Compliance Policy and Manual, Investment Policy, Risk Management Policy and Conflict of Interest Management Policy as well as the provision of training to all staff on the policy and the TCF expectations. We require all our staff to apply the principles of TCF in their work irrespective of their role.

The Board, senior and middle management will provide direction and monitor the delivery of TCF behaviours and outcomes. TCF will be built into any strategic and business plans developed by senior management and will form an essential component of any strategic planning processes. Remuneration, incentive and reward policies will take cognisance of fair customer outcomes and entail consequences for TCF successes and failures.

Procedures have also been put in place as part of our daily business activities, which ensure that the TCF objectives and outcomes are central to both our culture and operations.

- Appropriate product design for client groups  
*[Products and services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly]*

Argon's clients are comprised of Institutional Investors and Multi-Managers and does not directly market and sell products and services (at this point in time) within the retail market. We will ensure that the funds that we manage have been designed specifically to meet the requirements and risk/return objectives of each of our clients. Our internal controls and compliance structures will ensure that we manage the product supplier's investment portfolios within mandate and regulatory limits.

- **Information provided must be fair and appropriate for Disclosure**

*[Customers are given clear information and are kept appropriately informed before, during and after the time of contracting]*

Argon ensures that customers are consistently provided with adequate information in order to keep them appropriately informed throughout the business relationship. This is achieved by providing prospective clients with all relevant information prior to contracting, by the subsequent creation of a specialised mandate or service level agreement and by both periodical and ad hoc reporting as requested by the client. This ensures that clients are given all the appropriate information and data to enable them to assess the performance of their investments. Financial services are only rendered by members of staff who are suitably qualified to do so.

- **Suitable advice**

*[Where customers receive advice, the advice is suitable and takes account of their circumstances]*

Our primary service provision focus is on intermediation (ie, discretionary investment services). Due to lack of proximity to clients we are unable to access to all relevant information, this being the area of Investment Consultants (Advisors). However, we work closely with client advisors, to ensure that we understand the client need and we provide a product that addresses that need.

- **Performance and service against expectations**

*[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]*

Argon is committed to ensuring that all marketing is clear, easily understandable and adequately portrays to customers what the risks and rewards associated with our products are. At the point of contracting, further clear explanations of our products and services are provided to clients ensuring that this information is suitable to allow clients to make informed decisions regarding the investment service they require of us. Client specific investment objectives are recorded in the signed mandate. Furthermore, the firm is committed to providing appropriate after sales information, which adequately enables clients to monitor the performance of their investment.

- **Post-Sale Relationship Management**

*[Customers do not face unreasonable post-sale barriers to change product, switch provider, submit a claim or make a complaint]*

Argon has established an easy-to-use mechanism to enable clients to make changes to or disinvest from any investments they may hold within our range of portfolios/products. These details are contained in the specialised mandate or service level agreement.

Argon has established a Complaints Resolution procedure and same is communicated to all clients. The Complaints procedure does include an escalation process whereby clients may submit complaints to the Ombud for Financial Services Provider. Senior personnel with decision-making powers are involved in the complaints resolution process to ensure timeous response and that proper redress may be provided in relevant circumstances.

## 6. Training

The Compliance Function of Argon provides Legislative Training on an annual basis to all employees. Employees whose key performance indicators include the TCF outcomes shall be subject to specific training to ensure continuous compliance in discharging of duties.

## 7. Monitoring of Internal Controls

On a monthly basis and as part of the Compliance Function's responsibilities, continuous monitoring of TCF objectives through collation and review of Management Information

("MI") are produced at the various product life cycle are monitored.

Internal controls and/or Management Information are reviewed for their effectiveness, adequacy and for identifying areas of continuous improvement.

On a daily basis management ensures that TCF objectives are met through established controls. Management continuously reviews information produced to certify that there is continuous improvement of systems for the management of the TCF outcomes.

## 8. Non-Compliance with Policy

Any employee's failure to adhere to the Treating Customers Fairly Policy shall be subjected to Argon's Disciplinary Proceedings and may result in dismissal and/or debarment in line with the applicable legislation.

## 9. Record Keeping

Management information is maintained throughout the product life cycle; information includes but is not limited to information utilised in product design and development; client communication pre and post sales.

Management Information is be maintained for the duration of the client contract and for five (5) years after termination of the relationship with the client.

## 9. Reporting

### 9.1 Internal Reporting

The Compliance team is expected to report on compliance and non-compliance with the Policy and the TCF objectives to Management, the Audit Risk Management and Compliance Committee and to the Board of Directors on a regular basis.

### 9.2 Reporting to Regulators

On an annual basis or as required by regulators, the Company will report to the regulator on process undertaken and followed complying with TCF requirements. Reporting will follow the format as per the regulators requirements.

## 10. Policy Review

The policy will be is reviewed annually or as circumstances dictate.

## 11. Approval

The policy is approved by the Board of Directors of Argon.

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