

Assetora

Conflicts Management



CP.1 – Conflicts Management

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1. Purpose

The purpose of this policy is to provide a consistent approach when managing conflicts of interest impacting Assetora Limited (“Assetora”).

2. Definitions

Conflicts of interest are circumstances where some or all of the interests of Assetora’s clients, directors, staff and appointed external service providers are inconsistent with, or diverge from, some or all of the interests of Assetora’s business and any other businesses under its licence.

Reference to clients in this policy refers to all Assetora clients.

3. Regulatory Background

The provisions on ensuring that conflicts of interest are adequately managed are outlined in the Corporations Act 2001, s912A (1) (AA). ASIC’s Regulatory Guide 181 provides guidance for AFSL holders in the factors that need to be considered in the management of conflicts in order to ultimately assist AFSL holders in providing financial services honestly and fairly as required by s912A (1) (a) and further, comply with numerous obligations which are also directly or incidentally related to this obligation.

In addition to Assetora's requirements to comply with the Corporations Act and related regulatory guides, Assetora is also obliged under the terms of the IMA to appropriately manage and/or avoid conflicts of interest in compliance with the RE’s policies and procedures.

To comply with the conflicts management obligation, ASIC expects licensees to:

- control, disclose and (as needed) avoid conflicts of interest; and
- have measures, processes and procedures to:
 - identify conflicts of interest;
 - assess and evaluate those conflicts;
 - appropriately respond to those conflicts; and
 - ensure that, regardless of any conflicts, the quality of the financial services they provide is not significantly compromised.

Some existing licensee obligations also deal with conduct that is affected by conflicts of interest.

4. Scope

This policy applies to all Directors, staff and employees of Assetora.

This policy sets out a number of conflict examples and scenarios that could potentially impact Assetora and includes reference to managing them. Please refer to **Annexure A**.

This is not a comprehensive list of all conflicts that could impact Assetora and all staff are encouraged to self-report to Compliance any conflicts of interest that may arise or come to their attention.

ASIC's view is that the conduct, product and disclosure practices within each sector should promote investor and consumer trust and confidence and market integrity. Assetora as an entity covers three sectors; corporation, funds manager and financial advice.

1. Corporations

Australian public companies:

- treat investors fairly, including when undertaking fund raising and change of control transactions
- are accountable to investors, by ensuring disclosure is accurate, complete and timely
- adopt sound corporate governance practices that support market integrity and good investor outcomes.

2. Funds management:

- treat fund members and investors fairly
- deliver financial products and services that are transparent, fit-for-purpose, and aligned with consumer needs and preferences
- strike the right balance between innovation and risk to meet fund objectives
- ensure that investors are fully compensated when losses result from poor conduct.

3. Financial Advice:

- act professionally, avoid conflicts of interest and treat consumers fairly
- deliver strategic financial advice that is aligned with consumer needs and preferences
- ensure that consumers are fully compensated when losses result from poor conduct.

5. Risks

Non-compliance could result in breach of the Corporations Act and potentially loss of AFS Licence. There is a significant reputational risk if Assetora does not manage conflicts of interests correctly.

6. Policy Guidelines

6.1. Identification of Conflicts

This procedure is relevant to managing, disclosing or avoiding conflicts of interest upon identifying any conflicts between the interests of Directors, Assetora as the company and also Assetora in performing its obligations and responsibilities in respect of the Assetora Fund. Assetora Staff are also involved in and responsible for transactions (involving either the company or the Assetora Fund) that may involve conflicts of interest.

A conflict of interest may occur if a financial interest or a relationship influences or appears to influence the ability of a Board or Staff Member to exercise objectivity.

Self-reporting to Compliance, of any identified conflicts of interest, is encouraged in the first instance. Compliance in conjunction with the COO will then independently assess and evaluate the conflicts and agree on implementing an appropriate action plan (e.g. controlling, disclosing or avoiding the conflict).

6.2. Record Keeping

Regulation dictates that records must be kept and available for the regulator's inspection. Conflicts brought to the attention of Compliance and COO will then be registered in the necessary documentation (e.g. PDS, SPDS, FSG) or the Conflicts Management Register. A sample copy of the register requirements is located under Annexure B.

The Conflicts Management Register is maintained by Compliance and is publicly available upon request.

6.3. Reporting

Staff are encouraged to actively self-report any potential conflicts of interest for assessment. All conflicts of interest will be recorded in the Conflicts Management Register and reported to the Board.

6.4. Related Policies

This Policy should be read in conjunction with the following related policies:

- Conflicts Management
- Conflicted Remuneration
- Anti-Bribery and Corruption
- Staff Trading
- Code of Conduct
- External Service Providers

ANNEXURE A- EXAMPLES OF CONFLICTS OF INTERESTS IMPACTING Assetora

Staff and Directors		
Type of Conflicts	Conflicts of interest and service which it relates	Processes in place to manage conflict
Board of Directors	<p>Between the interests of any Director and Assetora.</p> <p>Between the interests of any Director and external Membership of a Board or Committee.</p>	<ul style="list-style-type: none"> • A standing monthly Board agenda is in place for Directors to disclose/declare Conflicts of Interest. • A Register of Directors' External Duties and Interests is maintained by the Company Secretary. • Directors are requested to leave the room should conflicts associated with their interests arise during any Board discussion. • All Board meetings are minuted accordingly.
Shareholders	Between the interests of Shareholders and Assetora	<ul style="list-style-type: none"> • All Shareholder's share issues are recorded in a register and disclosed and resolved at each Board meeting. • All Board meetings are minuted accordingly.
Employees	<p>Between the interests of staff employees and their Family and Friends and Assetora Limited.</p> <p>Between the interests of any staff member's relationship with another staff member of Assetora.</p> <p>Assetora staff members maintain roles outside of and in addition to Assetora.</p>	<ul style="list-style-type: none"> • Adherence with Staff Trading Policy. • Staff agreements are in place that address conflicts management. Segregation of duties and layers of approvals in place to prevent fraud and error. • No Assetora staff member may be employed by any third party without the approval of Compliance and CEO.
Loan Agreements	Between the interests of staff and stakeholders offering to Short Term Debt Funding to Assetora.	<ul style="list-style-type: none"> • Loan Agreements are duly executed and all such arrangements are entered into Conflict Management Register.

Assetora Fund		
Type of Conflicts	Conflicts of interest and service which it relates	Mitigations and/or processes in place to manage conflict
Advisers	Between the interests of direct investments made via an accredited Adviser into the Assetora Fund.	<ul style="list-style-type: none"> All Advisers have to complete the accreditation course to satisfy that they understand the product and have assessed their own or client circumstances associated with investing and not seeking personal advice from us. Bound by the conditions outlined under the PDS, SPDS, and Secondary Market Terms and Conditions.
Clients	Conflicts relating to investments in the fund – in particular, conflicts that might arise for an investor who has an interest in an underlying property or the outcome of a book build process.	<ul style="list-style-type: none"> Bound by the conditions outlined under the PDS, SPDS, Terms and Conditions of Access and Secondary Market Terms and Conditions. These provide adequate controls to avoid conflicts.
External Service Providers	Conflicts with appointing related parties to perform services to the Assetora Fund (i.e. Property Valuer, Buyer's Agent, Property Manager, Building Inspections etc.) who may have an interest in an underlying property or the outcome of a book build process.	<ul style="list-style-type: none"> Adherence to External Service Provider Policy and Property Policy/Procedures. Initial due diligence undertaken prior to any appointment ensures this is for the best interests of Assetora/clients. The existence of arm's length executed agreements incorporating references to conflict management. Ongoing oversight of External Service Providers' programme. Independent Valuations undertaken to ensure prices are not inflated. Three year rotation of Values. Independent oversight by Responsible Entity.
Fees	Full disclosure of fees and commissions under any circumstance that are not disclosed in PDS, SPDS, FSG and Secondary Market Ts&Cs.	<ul style="list-style-type: none"> Full disclosure maintained in PDS, SPDS, FSG and Secondary Market T&C. Adherence to the Conflicted Remuneration Policy and Gifts Policy.

Fund Management Industry		
Type of Conflicts	Conflicts of interest and service which it relates	Processes in place to manage conflict
Insider trading in Fund Units	Conflicts relating to trading in Fund Units by individuals who have access to non-public (material and price sensitive) information about the company.	Adherence to Staff Trading Policy and Staff Code of Conduct.
Dealing and Making a Market - avoiding manipulation	Conflicts relating to manipulating the market or trading in Fund Units by individuals who have access to non-public (material and price sensitive) information about the company.	Adherence to Staff Trading Policy and Staff Code of Conduct.
Gifts and Hospitality	Conflicts as a result of gifts and entertainment offered by an external party with whom Assetora interacts.	Adherence to Gifts and Hospitality Policy and Conflicted Remuneration Policy
Conflicted Remuneration	Conflicts relating to remuneration or benefits given by Assetora to those persons who provide financial product advice to retail clients that could reasonably be expected to influence the financial product advice they give.	Adherence to Gifts and Hospitality Policy and Conflicted Remuneration Policy
Chinese Walls	Conflicts resulting from the flow of information which could influence the advice given to clients making investments, and allow staff to take advantage of facts, either personally or by passing them onto another party, that are not yet known to the general public.	Adherence to Chinese Wall Policy and Staff Code of Conduct.

ANNEXURE B - Assetora CONFLICTS OF INTEREST REGISTER

Date Advised	Party's Role (Relationship with Assetora or the Fund)	Identify Duty or Interest	Status of Relationship (i.e. active / not active)	Details of the Conflict	Duty or Interest Owner	Details of Action Taken (Control/ Avoid/ Disclose)	Whether the conflict is Isolated or Ongoing	An end date (if applicable)	Date reported to Board

