

# Terms of Business and Disclosure

in terms of Long Term Insurance Act

This document sets out our Terms of Business. It describes our status under the Financial Services Board, the services we provide and the terms on which we provide them. Please read it carefully to ensure that you are fully aware of your rights and obligations as well as those of Sirius Financial Navigation.

1. [Our Status](#)

We are independent financial advisers and Fund Managers, fully regulated under the Financial Services Board. We do not hold more than 10% of the shares issued by any insurers, nor received more than 30% of our total commission and remuneration from any company in the previous calendar year.

2. [Our Services](#)

We are regulated to provide investment advice and also to arrange and effect a wide range of investments. Broadly, these are Collective Investments, Unit Trusts, Life Assurance and Pensions. Further, we advise, on Bank, Building Society, Mortgages, and on other financial matters which are not necessarily at this time regulated by the Financial Services Board.

Our services are personal and are tailored to your individual circumstances, needs and objectives. Therefore, our advice and recommendations will generally be given only after a detailed analysis of your situation, using our financial planning questionnaires. However, when this cannot be done or when it is irrelevant, we will provide our services on an "execution-only basis" i.e. on your instructions. "Execution-only" applies only where a transaction is carried out on your instructions, where we have given no advice or exercised our judgment on your behalf as to the merits or suitability. Also, on occasions our advice will be provided on the basis of restricted information. In both these situations, our responsibility will be limited accordingly.

Should there be any change in your circumstances, needs or objectives, you should notify us in writing, otherwise we shall continue to provide our services on the basis of your last notified circumstances, needs or objectives and shall not be liable for any loss that may result. Advice may be given in writing, per e-mail, telephone or in meetings.

3. [Instructions](#)

We require our clients to give us instructions in writing, to avoid possible disputes. We cannot of course act on written instructions until we actually receive them. We will, however, accept oral or e-mail instructions provided they are subsequently confirmed in writing. Please note that we may act on them before receipt of the written confirmation, unless you specifically request us not to do so. Our authority to act on your behalf can be terminated at any time by either of us in writing. No penalty shall result, but outstanding transactions and fee accounts must of course be settled.

4. [Personal Interests](#)

We offer independent financial advice, but occasions can arise where we or one of our other clients will have some form of interest in business, which we are transacting for you. If this happens or we become aware that our interests or those of one of our clients conflict with your interests, we will inform you and obtain your consent BEFORE we carry out your instructions.

5. [Client Money](#)

**WE DO NOT HANDLE CLIENT MONEY.** We never accept a cheque made out to us (unless it is a cheque in settlement of charges or disbursements for which we have sent you an invoice) or handle cash. Accordingly, any cheques or bankers drafts sent to us on your behalf will be forwarded to you forthwith. Any cheques, direct debits or bankers orders due to third parties should be drawn in favour of the third parties concerned.

## **Creative Wealth Management**

6. Ownership of Investments

All investments will be registered in your name unless you first instruct otherwise in writing. We will forward to you all documents showing ownership of your investments as soon as practicable after we receive them. Where a number of documents relating to a series of transactions are involved, we will normally hold each document until the series is complete and then forward them to you. Whilst we take reasonable care, all such documents will be sent at your risk and expense.

7. Performance

Although it is our practice to recommend established companies with sound performance records, it should be borne in mind that the value of certain investments, such as unit trusts and equities, and the income from them may go down as well as up. You may even get less back than your original investment. You will be made aware of the relevant risks when the transaction is being recommended.

8. Review

Except in relation to "execution-only" business or where specified at inception, we will review the investments made on our advice by writing to you with a consolidated statement of their current value and our recommendations for any changes. However, we will not value bank and building society investments. Alternatively, we may suggest a meeting to discuss them. Such reviews will be made on an annual basis unless we agree a different review period after discussion with you. Further, there may be occasions when we feel it would be in your best interest for us to review your investments outside the agreed review time. For instance we may feel you would benefit from the timely sale or purchase of a particular investment. In any such case we may take the initiative and contact you unless you request us not to do so in writing.

9. Records

You have a right to inspect copies of contract notes, vouchers and entries on our books or computerised records relating to your transactions. Should we not supply these within 30 days you have the right to complain to our Compliance Officer. We keep records of our business transactions for at least six years.

10. Commission and Fees

If we derive income from commission paid to us by life assurance companies, unit trust managers and/or investment trust managers where investments are made on your behalf, you will receive from the provider in question or from us information about such commission. We shall tell you the amount of commission payable to us on a life policy or pension contract and on any other investment we have arranged for you. IF YOU SUBSEQUENTLY CEASE TO PAY PREMIUMS ON A LIFE ASSURANCE OR PENSION POLICY and in that consequence we are obliged to refund the commission that has been paid to us WE RESERVE THE RIGHT TO CHARGE YOU A FEE based on the number of hours spent advising you and arranging the policy. WE WILL NOT CHARGE ANY FEE IF YOU EXERCISE YOUR RIGHT TO CANCEL THE INVESTMENT IN ACCORDANCE WITH THE CANCELLATION NOTICE SENT TO YOU BY THE PROVIDER.

If we arrange a regular contribution life policy or investment under which we receive a level rate of commission over the term of the contract and during this period the arrangement is subsequently transferred to another adviser, WE RESERVE THE RIGHT TO CHARGE YOU A FEE up to the balance of total commission over the first seven year period.

If we receive commission or any other form of benefit from the issuer of a security or from another intermediary, we will inform you of the amount. Where we carry out work on a fee basis instead of or in addition to any commission, we will notify you BEFORE we carry out any chargeable work, explaining how it will be calculated and the terms of payment. A separate Fee Agreement is required for work undertaken on this basis.

11. [Confidentiality](#)

Sirius Financial Navigation acknowledges that in the course of rendering services, in terms of our authority, to the client, we shall come into possession of information of a confidential nature. Any information conveyed to us regarding your personal financial affairs shall be treated in the strictest of confidence and is subject to confidentiality agreement signed and adhered to by staff and associates. Sirius Financial Navigation shall not, whether during the course of this agreement or at any time thereafter use or disclose or allow third parties to use or disclose any of the confidential information except to the extent permitted by the Client or in whatsoever circumstances that may be required by law.

12. [FICA](#)

Money Laundering Regulations oblige financial institutions to confirm the identity and place of residence of each investor. Certain original documentation may have to be produced in order to provide this confirmation. We shall not be liable for any delay in investing which may result.

13. [Professional Indemnity Insurance](#)

We are covered by a professional indemnity insurance underwritten by Lloyd's of London.

14. [Complaints Policy](#)

In the spirit and purport of the Financial Advisory and Intermediary Services Act, 2002 (FAIS) Sirius Financial Navigation (SFN) has implemented a complaints policy and procedure. Whilst we are not accustomed to receiving complaints, we recognise that it is a necessary and essential endeavour and we trust that it will serve to further entrench our commitment to personalised client service.

Our policy serves to ensure that any complaint you, as a client, may have will be dealt with fairly and speedily by competent staff.

Due to the complex nature of the financial services industry, SFN will only be in a position to accept responsibility for complaints that relate directly to our service to you. In all other matters, we will try our best to facilitate complaints that you might have by directing them to the appropriate facility.

As stated in our Terms of Business and Disclosure, should you be unsatisfied with the manner in which we have handled a formal complaint you may contact your insurer directly or the Ombud, details of which are to follow.

[Complaint to be in writing](#)

We request that all complaints be submitted to us in writing. You may complete our prescribed Complaints Form and hand deliver or fax it. Please ensure that you retain proof of delivery.

[Complaint has to be relevant](#)

As you will understand, we are not always able to address complaints that pertain to matters beyond our control or mandate.

Where the complaint relates to any matter within our direct control, we will endeavour to address those complaints in writing, within 5 (five) working days.

Should the complaint relate to a matter beyond our control such as product information or investment performance we will undertake to forward the complaint to the product provider concerned.

15. [Complaints Procedure](#)

The following is our complaints procedure and the steps set out below explain how your complaint will be dealt with.

- i. The complaint will be lodged in our central complaints register on the same day that it is made. We will contact you via SMS, email or fax and confirm receipt of the complaint.
- ii. The senior administrative manager in charge of complaints, Ms Lallitha Premjith, will immediately lodge the complaint in the register. Thereafter she will allocate it to a staff member competent to deal with the particular complaint.

- iii. The complaint will be investigated and we will revert to you with our preliminary findings within 5 (five) working days.
- iv. The internal parties concerned will discuss the preliminary findings and should any further decisions be taken, they will be communicated to you within a further 5 (five) working days.
- v. In the event that you are not satisfied with the action taken by staff, you may refer the complaint to Ms Chantal Wright, Senior Executive Financial Planner. She may amend the solution or confirm it.
- vi. If you are of the opinion that your complaint has still not been properly addressed, you may request the complaints manager (Ms Lallitha Premjith) to forward the complaint, and all accompanying documentation, to Dr Shawn Weggelaar, the Managing Director, who will then personally investigate the complaint as well as the preliminary findings.
- vii. If, after having referred the complaint to the Managing Director, you are still unsatisfied with the action taken we will classify the complaint as unresolved.
- viii. In such a case, you may approach the office of the Ombud for Financial Service Providers (details to follow) or take such other steps as may be advised by your legal representatives. The referral to the office of the Ombud must be done in accordance with provisions of section 21 of FAIS. Should we fail to arrive at a resolution within six (6) weeks after you have lodged your complaint, the matter may automatically be referred to the Ombud.
- ix. Matters must be referred to the Ombud within a period of six months. The Ombud will not adjudicate in matters exceeding a value of R800,000.00.
- x. The details of the Ombud for Financial Service Providers are as follows:  
Mr Charles Pillai  
Tel: (012) 428 8000  
Fax: (012) 347 0221  
P O Box 35655, Menlo park, 0102
- xi. The details of the Ombud for Long Term Insurance are as follows:  
Judge Peet Nienaber  
Tel: (021) 657 5000  
Fax: (021) 674 0951  
Email: info@ombud.co.za  
Private Bag X45, Claremont, 7735
- xii. The details of our appointed compliance officer are as follows:  
ISS Compliance (Pty) Ltd  
Mrs Madhu Patel  
Tel: (031) 309 6363  
Fax: (031) 309 4295  
Email: madhu.iss@fais.co.za  
P O Box 70177, Overport, 4067
- xiii. Should you experience a delay in communication with us, kindly contact the complaints manager for an explanation as to why there has been a delay.
- xiv. As with all business matters, do not accept any communication from any person until it has been confirmed in writing.
- xv. All complaints will be entered into our central complaints register and will be followed up with a courtesy call three months after the original complaint was lodged.

We trust that the above will assist you, the client, in the event of a complaint. We realise that even minor complaints can cause frustration and we hope that our complaints facility will serve to alleviate any frustration.

16. CONTACT DETAILS: MANAGEMENT, STAFF AND ASSOCIATESDirectors:

|                              |                                     |
|------------------------------|-------------------------------------|
| Clifford R Morris            | CEO                                 |
| Chantal Redding (nee Wright) | Managing Director                   |
| Lallitha Premjith            | Director and Administrative Manager |

Management:

|              |                           |
|--------------|---------------------------|
| Sarah Pitout | Fiduciary and Tax Manager |
| Haseena Essa | Fund Manager              |

Staff:

|                  |                                 |
|------------------|---------------------------------|
| Ethne Kenton     | Internal Accountant             |
| Romilla Singh    | Client Services Facilitator     |
| Leisha Vosloo    | Business Development Consultant |
| Duncan Wicht     | Trainee Manager                 |
| Annabelle Kruger | Receptionist                    |

US:

|               |                                      |
|---------------|--------------------------------------|
| Warren Burton | Mirzam Vice President                |
| Rod Thomson   | Mirzam Special Opportunities Manager |

17. Representatives

|   | CLIFFORD R. MORRIS<br>CEO<br>083 325 3855  | CHANTAL WRIGHT<br>Senior Executive      Financial Planner<br>082 880 1804   |
|---|--|---|
| <b>Legal Status:</b>  | Key Individual & Representative  | Representative  |
| <b>Qualifications:</b>  | ILPA Associate, Nat. Dipl.      Hotel<br>Mgmt.   | B.Com. CFP  |
| <b>Membership:</b>  | LUASA  | LUASA, FPI  |
| <b>Experience:</b>  | <ul style="list-style-type: none"> <li>▪ 23 years in the Life Insurance and financial services industry</li> <li>▪ Holder of Professional Indemnity Insurance</li> <li>▪ Insurer - Details on request</li> </ul>   | <ul style="list-style-type: none"> <li>▪ 10 years in the Life Insurance and financial services industry</li> <li>▪ Holder of Professional Indemnity Insurance</li> <li>▪ Insurer - Details on request</li> </ul>  |
| <b>Authorisation:</b><br>(Advice and intermediary services)                   | <ul style="list-style-type: none"> <li>▪ Long Term Insurance: Category B</li> <li>▪ Long Term Insurance: Category C</li> <li>▪ Pension Fund Benefits</li> <li>▪ Retail Pension Benefits</li> <li>▪ Participatory Interest in Collective investment Schemes</li> <li>▪ Foreign currency denominated investment instruments</li> </ul> | <ul style="list-style-type: none"> <li>▪ Long Term Insurance: Category B</li> <li>▪ Long Term Insurance: Category C</li> <li>▪ Pension Fund Benefits</li> <li>▪ Retail Pension Benefits</li> <li>▪ Participatory Interest in Collective investment Schemes</li> <li>▪ Foreign currency denominated investment instruments</li> <li>▪ Registered Tax Practitioner</li> <li>▪ Health Services Benefits</li> </ul> |
| <b>Authorised to recommend products from the following product suppliers:</b> | 1. Discovery Life/Health<br>2. Liberty Life/Health<br>3. Old Mutual  | 4. Sanlam<br>5. Momentum<br>6. PPS<br>7. Sage Life<br>8. Metropolitan Life<br>9. Capital Alliance<br>10. Alternative Channel  |

## DISCLAIMER

1. The financial analysis/recommendation is based on the information that you supplied, which is assumed to be correct. Although reasonable efforts have been made to substantiate information supplied by third party sources, where applicable, Sirius Financial Navigation do not accept liability for losses, whatever nature, arising from any incorrect information supplied.
2. It is therefore important that you verify all the relevant information recorded in the report and notify your financial advisor of any inaccuracies or omissions.
3. You should also ensure that you understand the characteristics of the particular product recommended, such as benefits and features included and excluded, any cover limitations that apply and the risk incidental to the specific products.
4. You should not follow any recommendation contained in this report/analysis unless you understand the specific characteristics of the product.
5. Kindly note that the analysis is based on current data, rates and classifications. Due to the volatility of certain investment markets and the changeability of rates and classifications, the analysis/recommendation may become inappropriate due to subsequent changes in the markets, rates and/or classifications. You should therefore ensure that you only act upon an updated recommendation/analysis.
6. Due to constant changes in the economic environment and possible changes regarding your own personal needs and objectives you should review your position at regular intervals.

## HEALTH WARNING

In the interest of a healthy portfolio, we encourage our clients not to be swayed by the constant barrage of conflicting investment information in the media.

Analysis of portfolio performances on a daily and even monthly basis by lay investors is ill-advised and only serves to breed investment paranoia and confusion.

Applying an investment philosophy of chasing last week's best performers as advocated in the media, merely results in the investor jumping from one asset class to another, thereby exposing the investor to the risk of selling when the markets are low and buying into overpriced markets.

However, following a well-diversified investment strategy, as applied by Sirius Financial Navigation, negates the need to hop-scotch between asset classes and increases the likelihood of inflation beating investments over the medium- to long-term (3 - 5 years).

We, at Sirius Financial Navigation, assure you that a continuous effort is made to ensure that our Funds are managed in the most efficient and risk-sensitive manner possible.

## 9 RULES OF RISK MANAGEMENT

Courtesy of Risk Metrics Group

### COMMUNICATE

Risk should be discussed openly.

### BE TRANSPARENT

Risk should be fully understood.

### KNOW WHAT YOU DON'T KNOW

Question the assumptions you make.

### THERE IS NO RETURN WITHOUT RISK

Rewards go to those who take risks.

### DIVERSIFY

Multiple risks will produce more consistent rewards.

### SEEK EXPERIENCE

Risk is measured and managed by people, not mathematical models.

### USE COMMON SENSE

It is better to be approximately right, than to be precisely wrong.

### SHOW DISCIPLINE

A consistent and rigorous approach will beat a constantly changing strategy.

### RETURN IS ONLY HALF THE EQUATION

Decisions should be made only by considering the risk and return of the possibilities.

## STATUTORY NOTICE TO LONG-TERM INSURANCE POLICYHOLDERS

### IMPORTANT - PLEASE READ CAREFULLY

#### DISCLOSURE AND OTHER LEGAL REQUIREMENTS

As a long-term insurance policyholder, or prospective policyholder, you have the right to the following information:

|   |   |
|---|---|
| <p><b>1. The Intermediary (insurance broker or representative) dealing with you must, at the earliest opportunity, disclose:</b></p> <ul style="list-style-type: none"> <li>(a) Name, physical and postal address and telephone number.</li> <li>(b) Legal capacity: whether independent or representing an insurer or brokerage.</li> <li>(c) Concise details of relevant experience.</li> <li>(d) Insurance products that may be sold.</li> <li>(e) Insurers whose products may be marketed.</li> <li>(f) Indemnity cover help - Yes/No.</li> <li>(g) Shareholdings in insurers if 10% or more.</li> <li>(h) Name of insurers from which the intermediary received 30% or more of total commission and remuneration during the past calendar year.</li> </ul> <p>(The intermediary must be able to produce proof of contractual relationship with and accreditation by the insurers concerned).</p> | <p><b>2. Your right to know the Impact of the decision you elect to make:</b></p> <ul style="list-style-type: none"> <li>(a) The intermediary or insurer dealing with you must inform you of..<br/>The premium you may be paying.<br/>The nature and extent of benefits you may receive.</li> <li>(b) If the benefits are linked to the performance of certain assets:<br/>How much of the premium will go towards the benefits?<br/>To what portfolio will your benefits be linked?</li> <li>(c) The possible impact of this purchase on your finances.</li> <li>(d) The possible impact of this purchase on your other policies (affordability).</li> <li>(e) The possible impact of this purchase on your investment portfolio (affordability).</li> <li>(f) The flexibility of changes you make to the proposed contract.</li> <li>(g) The contract terms of the product you intend to purchase.</li> </ul> <p>(It is very important that you feel quite sure that the product or transaction meets your needs and that you feel you have all the information you need to make a decision).</p> |
| <p><b>3. Your right when being advised to replace an existing policy:</b></p> <p>You may not be advised to cancel a policy to enable you to purchase a new policy or amend an existing policy, unless:</p> <ul style="list-style-type: none"> <li>(a) The intermediary identifies the policy as a replacement policy.</li> <li>(b) The implications of cancellation of the policy are disclosed to you such as: <ul style="list-style-type: none"> <li>▪ The influence on your benefits under the old policy.</li> <li>▪ The additional costs incurred with the replacement.</li> </ul> </li> <li>(c) The insurer, which issued the original policy, will contact you. You are advised to discuss the matter with its representative.</li> </ul>  | <p><b>4. Your right to be Informed by the insurer:</b></p> <p>The Insurer will forward you documentation confirming policy details as discussed in paragraph 2 of this Notice, which will also include:</p> <ul style="list-style-type: none"> <li>(a) The name of the insurer.</li> <li>(b) The product being purchased.</li> <li>(c) The cost in Rands of the transaction and specifically: <ul style="list-style-type: none"> <li>▪ The loadings, if any.</li> <li>▪ The initial expense, and</li> <li>▪ The amount of commission and other remuneration being paid to the intermediary.</li> </ul> </li> <li>(d) In the case of policies with an investment element, the ongoing expense and any other fees or charges payable.</li> <li>(e) The summary in terms of section 49 of the Long-Term Insurance Act 1998.</li> <li>(f) The contact number and address of the complaints and compliance officers of the insurer.</li> </ul> <p>(The Insurer may disclose the above Information on a generic basis with additional policyholder specific disclosure).</p>                              |
| <p><b>5. Your right to cancel the transaction:</b></p> <p>In most cases, you have a right to cancel a policy within 30 days after receipt of the summary contemplated in section 48 from the insurer.</p> <p>The same applies to certain changes you make to a policy. The insurer is obliged to confirm to you whether you have this right and explain how to exercise it.</p> <p>Please bear in mind that you may not exercise it if you have already claimed under the policy or if the event which the policy insures you against, has already happened.</p> <p>If the policy has an investment component, you will carry an investment loss.</p>   | <p><b>6. Serious Warning:</b></p> <p>It is very important that you are quite sure that the product or transaction meets your needs and that you feel you have all the information you need before making a decision. It is recommended that you discuss with the intermediary or insurer the possible impact of the proposed transaction on your finances, your other policies or your broader investment portfolio. You should also ask for any information about the flexibility of the proposed policy. Where paper forms are required, it is advisable to sign them only once they are fully completed. Feel free to make notes regarding verbal information, and ask for written confirmation or copies of documents. Remember that you may contact either the Long-Term insurance Ombudsman or the Registrar of Long-Term Insurance, contact details are set out below, if you have any concerns regarding a product sold to you or advice given to you.</p>  |
| <p><b>7. Particulars of the Long-Term Insurance Ombudsman:</b><br/>PO Box 45007<br/>Claremont<br/>7735<br/>Tel: (021) 674 0330<br/>Fax: (021) 674 0951</p>  | <p><b>8. Particulars of Registrar of Long-Term Insurance<br/>Financial Services Board</b><br/>PO Box 35655<br/>Menlon Park<br/>0102<br/>Tel: (012) 428 8000<br/>Fax: (012) 347 0221</p>   |