

ASANDE WEALTH MANAGEMENT (PTY) LTD

ADVERTISING POLICY

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An authorized financial services provider (50155)



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1. PURPOSE

Section 14 of the FAIS General Code of Conduct (GCOC) requires that a financial services provider (FSP), excluding a sole proprietor, must have a documented process and related procedure for the approval of advertisements before they are published.

This document sets out the process and procedure that ASANDE WEALTH MANAGEMENT will follow to ensure that the content of all advertisements complies with the requirements of the GCOC and other applicable legislative requirements.

All advertising by the FSP will consider and reflect the principles of Treating Customers Fairly (TCF), specifically TCF Outcome 3 which provides that “Customers are provided with clear information and kept appropriately informed before, during and after point of sale”.

2. KEY DEFINITIONS AND SCOPE OF APPLICATION

For purposes of advertising "**client**" includes the general public and the principles, requirements and standards contained in this policy apply regardless of the medium used to publish an advertisement.

For the purpose of this policy, any reference to “the FSP” refers to ASANDE WEALTH MANAGEMENT and applies to the advertisements of Juristic Representatives of the FSP.

This policy applies to all advertisement published by the FSP, regardless of whether the advertisement was also previously published.

Additional definitions relating to advertising as defined in the FAIS GCOC are listed in **ANNEXURE A**.



3. ADVERTISING – DUTIES AND RESPONSIBILITIES OF ASANDE WEALTH MANAGEMENT

3.1 APPROVAL

A key person¹ or a person of appropriate seniority delegated by the key person must approve all advertisements. is responsible for the approval of all advertisements within the FSP.

3.2 REVIEW

ASANDE WEALTH MANAGEMENT ensures that before publishing an advertisement, the FSP will review each advertisement in addition to taking further reasonable steps to ensure that the information provided in the advertisement is consistent with the principles and requirements of Section 14 of the GCOC.

In addition, where feasible, the FSP will ensure the objective review of an advertisement by a person other than the person who prepared or designed it.

Where an advertisement is produced or published by a representative of the FSP or a person who is acting on behalf of the FSP, the FSP will review the advertisement to ensure that it is consistent with the provisions of section 14 of the GCOC.

3.3 RISK MITIGATION

Where an advertisement is produced or published by a person who is not the FSP's representative or who is not otherwise acting on behalf of the FSP, but the FSP is aware or ought reasonably to be aware of the production or publication, the FSP will take reasonable steps to mitigate the risk of the advertisement not being consistent with this policy.

3.4 REMEDIAL ACTIONS FOR NON-COMPLIANCE

Where the FSP becomes aware that an advertisement that relates to its business, financial services or related services, whether published by the FSP or any other person, is not consistent with the provisions of section 14 of the GCOC, the FSP must:

¹ As defined in section 1 of the Financial Sector Regulation Act, "key person", in relation to a financial institution, means each of the following:

- (a) A member of the governing body of the financial institution;
- (b) the chief executive officer or other person in charge of the financial institution;
- (c) a person other than a member of the governing body of the financial institution who makes or participates in making decisions that:
 - (i) affect the whole or a substantial part of the business of the financial institution; or
 - (ii) have the capacity to affect significantly the financial standing of the financial institution;
- (d) a person other than a member of the governing body of the financial institution who oversees the enforcement of policies and the implementation of strategies approved or adopted by the governing body of the financial institution;
- (e) the head of a control function of the financial institution; and
- (f) the head of a function of the financial institution that a financial sector law requires to be performed.



- a) as soon as reasonably practicable correct or withdraw the advertisement; or
- b) take reasonable steps to ensure that it is corrected or withdrawn; and
- c) notify any person who it knows to have relied on the advertisement.

3.5 INFORMATION TO BE DISCLOSED IN ADVERTISEMENTS

In addition to the above requirements, Section 8(8)(b) of the FAIS Act provides that a licensee must ensure that “a reference to the fact that such a licence is held is contained in all business documentation, advertisements and other promotional material”.

In this regard, all advertisements and/or promotional material published or distributed by or on behalf of the FSP must therefore contain the words “**Authorised Financial Services Provider**” or the FSP number.

4. ADVERTISING PRINCIPLES

This policy sets out applicable principles and measures which aim to ensure that advertisements:

- Are factually correct, balanced and not misleading;
- Consider public interests;
- Clearly identify the product supplier or product provider
- Are published in appropriate language and medium
- Make comparisons on similar grounds or similar characteristics
- Are prominent; and
- Correctly make use of forecasts, illustrations, projected benefits, hypothetical or past performance data.

4.1 Advertisements must be correct, balanced and not mislead clients

Advertisements must be factually correct (excluding aspects of an advertisement constituting puffery), provide a balanced presentation of key information and must not be misleading. To demonstrate adherence to this principle, the following criteria is applied:

4.1.1 *Clear references to statistics, performance data, achievements or awards*

Where the FSP makes use of statistics, performance data, achievements or awards and this is referenced in the advertisement, the following information must also be disclosed in the advertisement:

- the source and the date thereof; and
- the identity of the grantor of an award and it must be made clear if the award is granted by an associate of the FSP or product supplier.



4.1.2 *References to premiums or other periodic investment amounts*

Where the FSP refers to premiums or other periodic investment amounts in advertising, the advertisement must:

- in the case where the premium or periodic investment amount will escalate automatically, indicate the escalation rate or basis; and
- where the premium, in the case of an insurance policy, (with or without automatic escalations) may change at a future date, also indicate the period for which the premium is guaranteed.

4.1.3 *The use of descriptions in an advertisement*

Where the FSP makes use of descriptions in advertisements, the FSP must not use descriptions in a manner that gives benefits or returns undue prominence compared with risks.

In addition, the FSP may not use descriptions to exaggerate benefits or returns or create expectations around the financial product or financial service performance or the performance of related services that the provider does not reasonably expect to achieve.

4.1.4 *Descriptions of specific products, services or related services*

Where a description in respect of a specific financial product, financial service or related service is used in an advertisement, it must include:

- key limitations, exclusions, risks and charges;
- which must be clearly explained; and
- the description must not be worded positively to imply a benefit.

4.1.5 *Consideration of the medium of advertisement*

Where the FSP can demonstrate that due to the nature of the medium used for the advertisement, it is not reasonably practicable for the information required 4.1.4 above (*Descriptions of specific products, services or related services*) to be fully included in the advertisement itself, the advertisement must indicate–

- that additional information on key limitations, exclusions, risks and charges related to the financial product, financial service or related service being advertised is available; and
- where and how the additional information in may be accessed.

This information must be publicly available and readily accessible to the average client targeted by the FSP in the advertisement.



4.1.6 *Disclosure of fees and costs to provide a realistic impression*

Where an advertisement refers to a fee or cost the FSP must ensure that the reference provides a realistic impression of the overall level of fees or costs a person is likely to pay. This includes any indirect fees or costs.

4.1.7 *Consideration of advertisement as a whole and conclusions of clients*

The FSP must examine advertisements as a whole, to ensure that advertisements are not constructed in such a way as to lead the average targeted client to any false conclusions he or she might reasonably rely upon.

When constructing an advertisement, the FSP must consider the conclusion likely to be made by clients that are subject to the advertisement, and in doing so specifically consider-

- the literal meaning of the words;
- impressions from nonverbal portions of the advertisement; and
- materials and descriptions omitted from the advertisement.

4.1.8 *Advertisements targeted at a specific group*

Where the FSP produces and publishes an advertisement relating to a financial product that is targeted at a particular type or group of client, the FSP must ensure that this is made clear in the advertisement.

4.1.9 *Providing clear and prominent information*

The FSP must ensure that advertisements are clear and must not obscure information. Each piece of information in an advertisement must be prominent enough, as set out in section 4.1.10 below (*Information must be prominent*), and proximate enough to other information to not mislead the average targeted client.

The FSP must not design advertisements in such a way to exaggerate the need for urgency which could encourage the average targeted client to make unduly hasty decisions.

4.1.10 *Information must be prominent*

To demonstrate adherence to this principle, whenever information must be disclosed prominently, the FSP must appropriately and specifically consider:

- the target audience of the advertisement and the likely information needs of the average targeted client.
- prominence of information in the context of the advertisement as a whole, including positioning of the text and audibility and speed of speech.
- the duration of the display of key information.
- The background, color and font size.



The FSP must take note of the following instances in which the advertisement will not comply with the principle of prominence:

- the statement or information is obscured through the close proximity of promotional illustrations and/or additional text
- information is difficult to read due to the use of small font sizes, unclear type styles or the duration for which it is displayed
- information is likely to be overlooked due to its position
- information is superimposed across a colored or patterned background which lessens its visual impact; or
- information is difficult to hear or understand due to the volume or speed at which speech is delivered.

4.1.11 Warnings, disclaimers and qualifications contained in an advertisement must–

- not be inconsistent with other content in the advertisement; and
- have sufficient prominence to effectively convey key information.

4.1.12 Advertisements relating to financial services

Where the FSP advertises financial services, the FSP must ensure that the advertisement –

- discloses any relevant limitations on the extent of the financial service and the range of financial products on which the financial service is based;
- does not create a misleading impression about
 - the nature and extent of a the FSP's skills, experience, knowledge and expertise insofar it relates to the financial service;
 - the cost of a financial service including that it is 'free' if the service is in fact paid for by the client directly or indirectly through other costs or charges.

4.2 Consider Public Interest

An advertisement must not belittle, or make inaccurate, unfair or unsubstantiated criticisms about any financial product, financial service, product supplier or provider.

4.3 Product supplier or product provider must be clearly identified

The FSP must ensure that advertisements relating to a financial product or financial service clearly and prominently (in accordance with the principles on prominence) identifies the product supplier or provider or both, where applicable.



The FSP must ensure that advertisements do not use the group or parent company name or the name of any other associate of a product supplier or provider, or the name of another person, to–

- create the impression that any person other than the product supplier or provider, as the case may be, is financially or otherwise liable in relation to a financial product or financial service.
- mislead or deceive as to the true identity of the provider or product supplier.

4.3.1 Advertising and white labeling

Where the FSP publishes an advertisement relating to a financial product that is subject to a white labelling arrangement, the FSP must in such an advertisement:

- clearly and prominently identify the product supplier.
- ensure that the name of the product supplier is as frequently mentioned, as audible, or as visible as that of the white label.
- when advertising in written media, the name of the product supplier must be at least the same font size as that of the white label.

These requirements will not apply to an advertisement by the FSP if it relates to a white labeled financial product where–

- the white label arrangement is with a product supplier that is part of the same group of companies that the FSP is part of.
- the advertisement uses the brand of the product supplier; and
- all requirements of section 4.3 and 4.1.10 above are complied with in relation to the identification of the product supplier and prominence.

4.4 Appropriate language and mediums must be used

The FSP must ensure that all advertisements are in plain language, which includes:

- terms that are defined or explained in instances where the average targeted client could not reasonably be expected to understand them.
- the appropriateness of the medium to publish any advertisement when considering the complexity of the features of the financial product or financial service or other information being communicated.



4.5 The use of forecasts illustrations, hypothetical data or projected benefits and past performance data.

Where benefits are dependent on future unknown investment performance, the FSP may only use projected benefits² to demonstrate the benefits of saving in general.

Any reference by the FSP in an advertisement, to projected benefits, investment performance or returns must clearly reflect the effect that fees and costs may have on actual returns or benefits.

When past investment performance is provided for or referred to in an advertisement, the FSP must ensure that:

- all information is accurate and provided in the correct context, and the FSP must be able to substantiate all claims made; and
- a statement must be included that past performance cannot be extrapolated into the future and is not an indication of future performance.

Where tax advantages are referenced, these must be explained, and any key restrictions, penalties, and mitigating circumstances must also be disclosed.

Where an advertisement makes any reference to guaranteed elements or features, the FSP must indicate whether the guarantee is subject to any requirements and conditions and where the disclosure of those requirements and conditions can be found.

Where a financial product:

- comprises of participatory interests in an underlying collective investment scheme; or
- provides for investment of client's funds into collective investment scheme portfolios-

the advertisement must comply with the requirements of this policy in addition to any determination of advertising and marketing requirements for collective investment schemes made under the Collective Investment Schemes Control Act No. 45 of 2002.

² Projected benefits include but are not limited to future investment values and, in the case of insurance policies, maturity, income, death, disability or full or partial surrender benefits.



5. ADVERTISING STANDARDS

In addition to the above principles, the following advertising standards provide steer to the business by ensuring that:

- Records of all advertisements are kept
- Negative option marketing is avoided
- Unwanted direct advertising is not utilised
- Any puffery is consistent with the Code of Advertising Practice
- Endorsements are genuine and disclosed; and
- Loyalty benefits and loyalty bonuses are adequately represented

5.1 Record keeping

The FSP will ensure that it keeps adequate records of all advertisements for a period of at least 5 years after publication. This includes but is not limited to a completed advertising checklist, a copy of the advertisement and evidence of approval and sign-off.

All advertising is recorded on the FSP's Advertising Register, within 15 days of publication of the advertisement.

5.2 Avoidance of negative option marketing

The FSP, or any person acting on its behalf, may not offer to enter into any agreement in respect of a financial product or financial service on the basis that the agreement will automatically come into existence unless the client explicitly declines the provider's offer to enter into agreement.

5.3 Option to decline unwanted direct advertising

Where the FSP, or any person acting on its behalf, uses a telephone or mobile phone call, voice or text message or other electronic communication for an advertisement, it must:

- allow the client during that call or within a reasonable time after receiving the message, the opportunity to demand that the FSP, or other person acting on its behalf, does not publish any further advertisements to the client through any of these mediums.

The FSP or any person acting on its behalf, may not charge a client a fee or allow a service supplier to charge a client any fee for declining direct advertising.

5.4 Comparative marketing

Where the FSP makes use of a survey or other financial product or financial service comparison to inform a comparative advertisement, the survey or other product or service comparison:

- must be undertaken by an independent person however, where it is not reasonably practical to have an independently compiled comparison, the FSP must qualify the advertisement as a comparison which was not undertaken independently.

- must be conducted at regular intervals, if relied on or referenced on an on-going basis
- must ensure that financial products, financial services or related services being compared have the same or similar characteristics.
- must take account of comparable features across the financial product, financial service or related service offerings included in the sample to ensure that not only the price (e.g. the Rand value of premiums or investments) is being compared, but also the benefits provided under the financial products, financial services or related services concerned
- in the case of comparisons between financial products that are insurance policies, ensure that price comparisons are based on policies with equivalent terms and conditions, including insured events, cover levels, exclusions, waiting periods and other key features.
- may not focus on the price of a financial product, financial service or related service to the exclusion of the suitability of the financial product, financial service or related services or its delivery on client expectations; and
- must ensure that the information used in comparisons is current, complete and accurate.
- source and date of the survey or other comparison must be referenced in the advertisement and the methodology applied must be publicly available and readily accessible to the public in an easily understandable format.

5.5 Puffery

Where the FSP makes use of advertisements that include puffery, it must be consistent with the provisions relating to puffery in the Code of Advertising Practice Issued by the Advertising Regulatory Board as amended from time to time.

5.6 Endorsements

Where the FSP makes use of testimonials and third person endorsements in advertisements, the FSP must clearly and prominently, in accordance with section 4.1.10 above (*Information must be prominent*), state that the endorsement does not constitute financial advice.

Where the FSP makes use of testimonials and third person endorsements in advertisements:

- it must be the genuine opinion and actual experience of the person making the testimonial or endorsement and be properly attributed to such person.
- it must be based upon actual statements made for testimonial or endorsement purposes; and
- may use a pseudonym instead of the real name of the person making the testimonial or endorsement, provided this is stated in the advertisement.



If the person making the testimonial or endorsement (or their employer or principal or any associate) has any financial interest or relationship to the:

- FSP or any associate of the FSP or person acting on behalf of the FSP; or
- product supplier or any associate of the product supplier or person acting on behalf of the product supplier, where the advertisement relates to a financial product; or
- will or has been compensated for the endorsement by any person (other than through reimbursement of actual costs incurred by the person making the endorsement)

this must be disclosed in the advertisement.

5.7 Loyalty benefits or bonuses

Where the advertisement references a loyalty benefit (including so-called cash-or premium-back bonuses in relation to insurance policies) or no-claim bonus, the reference must not create the impression that such benefit or bonus is free and must adequately:

- indicate if the loyalty benefit or no-claim bonus is optional or not; and
- regardless of whether the loyalty benefit or no-claim bonus is optional, express:
 - the cost of the benefit or bonus including,
 - the impact that such cost has on the premium or investment amount, unless the impact is negligible; and
 - identify the grantor of the benefit or bonus.

The impact of a loyalty benefit or bonus is deemed to be negligible if the cost of the loyalty benefit or no-claim bonus comprises less than 10% of the total premium or investment amount payable under a financial product.

Where the impact of a loyalty benefit or no-claim bonus is not negligible and where the FSP's advertisement refers to the actual premium or investment amount payable:

- the cost of the benefit or bonus must be shown as a percentage of that premium or investment amount; and
- the FSP must be able to demonstrate that the premium or investment amount and benefit cost used in the advertisement presents a true reflection of the cost impact for the average targeted client; and

Where the impact of a loyalty benefit or no-claim bonus is not negligible and where the advertisement does not refer to the actual premium or investment amount payable:

- the average cost of the benefit or bonus as a percentage of premium or investment amount must be provided.

Where the FSP makes use of an advertisement which highlights a loyalty benefit or no-claims bonus as a significant feature of a financial product or financial service and makes reference to a projected loyalty benefit value or no-claim bonus value that is payable on the expiry of a period in the future, it must:



- also express the value of the projected benefit or bonus in present value terms, using reasonable assumptions about inflation.

The advertisement must clearly state whether the availability or extent of a loyalty benefit or no-claims bonus is contingent on future actions of the client or any factors not within the client's control.

The advertisement may not create the impression that the bonus or benefit is guaranteed or more likely to materialise than the provider or product supplier reasonably expects, for the average targeted client.

6. REVIEW

The FSP will review the Advertising Policy on an ad hoc basis whenever there are changes in the business or on an annual basis and document any changes thereto.

Management is responsible for reviewing and updating the Advertising Policy.

7. CONCLUSION

Any non-compliance with this policy as well as any non-compliance with the FSP's obligations in terms of legislation are viewed in a serious light. All instances of non-compliance with this policy must be included in the FSP's non-compliance reporting.



Annexure A – DEFINITIONS

“advertisement” means any communication published through any medium and in any form, by itself or together with any other communication, which is intended to create public interest in the business, financial services, financial products or related services of a provider, or to persuade the public (or a part thereof) to transact in respect of a financial product financial service or related service of the provider in any manner but which does not purport to provide detailed information to or for a specific client regarding a specific financial product, financial service or related service.

“comparative” refers to a direct or indirect comparison between providers or between financial products, financial services or related services of one or more provider or product supplier;

“endorsements” refer to public statements declaring the virtues of a financial product, financial service or related service of a provider or recommending the entering into of a financial product, financial service or related service;

“loyalty benefit” means any benefit (including a so-called cash- or premium-back bonus) that is directly or indirectly provided or made available to a client by a provider or a product supplier or an associate of the provider or product supplier, which benefit is wholly or partially contingent upon–

- (a) the financial product with that provider or product supplier remaining in place;
- (b) the client continuing to utilise a financial service of that provider or product supplier;
- (c) the client increasing any benefit to be provided under a financial product; or
- (d) the client entering into any other financial product or benefit or utilising any related services offered by that provider, product supplier or their associates;

“no-claim bonus” means any benefit that is directly or indirectly provided or made available to a client by a product supplier in the event that the client does not claim or does not make a certain claim under a financial product within a specified period of time;

“plain language” means communication that

- (a) is clear and easy to understand;
 - (b) avoids uncertainty or confusion; and
 - (c) is adequate and appropriate in the circumstances,
- taking into account the factually established or reasonably assumed level of knowledge of the person or average persons at whom the communication is targeted;

“publish” means

- (a) to make generally known;



- (b) to make a public announcement of;
 - (c) to disseminate to the public; or
 - (d) to produce or release for distribution;
- and “publication” has a corresponding meaning;

“**puffery**” means any value judgments or subjective assessments of quality based solely on the opinion of the evaluator and where there is no re-established measure or standard;

“**related service**” means any service or benefit provided or made available by a product supplier or provider, or any associate of that product supplier or provider, together with, or in connection with, any financial product, financial service or benefit in respect of that financial product or financial service, and includes a loyalty benefit and a no-claim bonus;

“**service supplier**” means an person (whether or not that person is the agent of the provider), other than a representative, with whom a provider has an arrangement relating to the marketing, distribution, administration or provision of financial products, financial services or related services;

