

## Conflicts Management Framework - Summary

Total Risk Management Pty Ltd (TRM) maintains a conflicts management framework, in accordance with Prudential Standard SPS 521, to enable the TRM Board to identify and take all reasonably practicable actions to avoid, or prudently manage, all potential and actual conflicts in TRM's business operations. TRM's conflicts management framework is comprised of:

- The Conflicts Management Policy;
- TRM's Register of Relevant Duties and Register of Relevant Interests; and
- TRM's Conflicts Register.

The purpose of Conflicts Management Policy is to document how TRM approaches the identification and avoidance or management of conflicts of duty and interest. In so doing, TRM recognises that it must comply with the covenant in section 52(2)(d) of SIS that provides that where there is a conflict between the duties of TRM to beneficiaries, or the interests of beneficiaries, and the duties of TRM to any other person or the interests of TRM or any associate of TRM, TRM is:

- to give priority to the duties to and interests of the beneficiaries, over the duties to and interests of other persons;
- to ensure that the duties to the beneficiaries are met despite the conflict;
- to ensure that the interests of the beneficiaries are not adversely affected by the conflict; and
- to comply with the Prudential Standard SPS 521 in relation to conflicts.

## 1 Review of the Conflicts Management Framework

The TRM Board will review the overall conflicts management framework on an annual basis.

### 1.2 What is a Conflict?

SPS 521 provides that for the purposes of the Standard, a reference to a "conflict" is a reference to a conflict:

- between the duties owed by TRM or a responsible person<sup>1</sup> to beneficiaries and the duties owed by TRM or that responsible person to any other person;
- between the interests of beneficiaries and the duties owed by TRM or a responsible person to any other person;
- between an interest of TRM, an associate of TRM<sup>2</sup> or a responsible person and TRM's duties to beneficiaries; and
- between an interest of TRM, an associate of TRM or a responsible person and the interests of beneficiaries.

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<sup>1</sup> as defined in Prudential Standard SPS 520

<sup>2</sup> An associate of TRM, as defined in s11 of the Corporations Act, includes the company secretary, a related body corporate and a director or secretary of a related body corporate. A related body corporate is defined in s50 of the Corporations Act and includes Russell Investments Employee Benefits Pty Ltd, Russell Investment Group Pty Ltd, Russell Investments Financial Solutions Pty Ltd and Russell Investment Management Ltd

## **2 Identification of Potential Conflicts**

The first and fundamental step involved in managing conflicts of interest and conflicts of duty is identification. Identification of actual or potential conflicts is required on an ongoing basis.

### **2.1 What is a Relevant Interest or Relevant Duty?**

A relevant duty or relevant interest is one that might reasonably be considered to have the potential to have a significant impact on the capacity of TRM, the associate of TRM or the responsible person to act in a manner that is consistent with the best interests of beneficiaries.

### **2.2 The Relevant Interests and Relevant Duties Register**

TRM has a Relevant Interests and Relevant Duties Register (Register). Each responsible person and each Director's relevant interests and relevant duties are recorded in the Register. The purpose of this Register is to facilitate the identification of conflicts by the TRM Board, so as to enable TRM to give priority to the duties to and interests of beneficiaries, over the duties to and interests of other persons and to ensure that the duties to beneficiaries are met despite the conflict and to ensure that the interests of the beneficiaries are not adversely affected by the conflict.

TRM has a Gift Register. All gifts/benefits from the Trustee's service providers, an associated company of the service provider, a proposed service provider, or principal employer-sponsor of a fund are to be recorded on the Gift Register and all that are of the value of \$200 or more (cumulative in a 12 month period) are to be recorded on the Relevant Interests Register.

### **2.3 The Conflicts Register**

The Conflicts Register documents how the relevant interests, relevant duties and any other conflicts of interests have been managed (e.g. disclosure, controlled and avoidance).

## **3 Whistle blowing**

TRM has a separate Whistleblowing Policy. TRM encourages the reporting of any instances of suspected unethical, illegal, fraudulent or undesirable conduct involving TRM, its responsible persons or any of the entities for which it is trustee. Anonymous tip off facilities are available.

## **4 Record Keeping**

TRM will keep, for at least seven years, records of:

- conflicts identified and action taken;
- copies of written conflicts disclosures given to members of the funds or the public as a whole; and
- the Conflicts Register and the Register of Relevant Interests and Relevant Duties.