

The Fiduciary **Paradox**

Navigating Risk, Responsibility & Value Creation

Chanel Schoeman

Head of Fiduciary | Alpha Trust & Fiduciary (Pty) Ltd | Chair, STEP Johannesburg

ALPHA TRUST & FIDUCIARY 

A Quick Question

WHERE WE BEGIN



A

Who feels we have become **compliance officers**
who happen to specialise in the fiduciary field?

VS

B

Who feels we are still, in the truest sense, **traditional**
fiduciary practitioners?



Which one have we **become**?

A QUESTION WORTH SITTING WITH



THE FIDUCIARY PRACTITIONER

Compliance is the **floor**

The baseline we stand on, never the summit we reach for. We meet every requirement, and then we keep climbing, toward care, toward the hard conversations, toward the outcome the family actually needs.

Above the line, there is no limit.

THE COMPLIANCE OFFICER

Compliance is the **ceiling**

The same requirements, now the highest point we reach. Every box ticked, every risk mitigated, and nothing beyond it. We rise no higher than the minimum the rules demand of us.

The minimum becomes the most we offer.

Risk, seen only defensively, is an **incomplete picture**

WHERE WE BEGIN



Compliance, liability, the avoidance of error. It is where our training begins, and it is necessary.
But it is not why the profession exists.

01

The origin

Where the fiduciary idea comes from, and what the word has always meant.

02

The heart

Good faith, care and independence, the single thread running through everything we do.

03

The balance

Why fulfilling the duty faithfully is itself how we navigate risk and stay compliant.

04

The legacy

Value creation as long-lasting impact, building families and protecting the vulnerable.

“Fiduciaries operate in one of the **highest-duty** relationships recognised in law, where **trust, accountability and care** form the foundation of every decision.





PART ONE

The origin

Where the fiduciary idea comes from, and what it has always meant

It begins with a single **Latin word**

THE ORIGIN | THE WORD ITSELF



fides

trust · faith · good faith

To the Romans, fides was not a soft virtue. It was a binding social bond, the expectation that a person would honour what was entrusted to them, even where no law compelled it.

fidei committo

"I entrust this to your good faith."

Every fiduciary word we still use carries this root: fiduciary, fidelity, fideicommissum, confidence. Each one is a promise about how a person will behave when they hold something that is not their own.



The first trust was a matter of **honour, not law**

THE ORIGIN | ROME



In Roman law, a testator could leave property to a trusted heir, the fiduciarius, on the understanding that they would pass it on to someone the law would not let inherit directly. A widow. A child not yet born. Someone the rigid rules had left out.

Held together only by faith

At first there was no court to enforce it. The whole arrangement rested on the fiduciary's honour, the fiducia cum amico, a trust placed in a friend.

The law followed the conscience

Only later did Rome appoint officials to compel the faithless fiduciary. The duty existed first, the enforcement came after. The care preceded the rule.

01

Rome

Fides and the fideicommissum. Property entrusted, in good faith, for someone the strict law left unprotected.

02

English

Where the common law was rigid, the Courts of Chancery enforced the conscience of the trustee, and the modern trust was born.

03

Roman-Dutch law

Both streams flow into South African law. The fideicommissum still lives in our statute books today.

04

Our profession

We are the current custodians of a 2 000-year-old promise, to hold faithfully what belongs to another.

PART TWO

The heart

Good faith, care and independence, the thread through everything

Good faith, care, **independence**

THE HEART | ONE DUTY, THREE EXPRESSIONS



GOOD FAITH

Uberrima fides, the utmost good faith. Never placing our own interest ahead of the person who trusted us. This is the fides of Rome, unchanged in two thousand years.

CARE

Not the care of a rule-follower, but of a steward. The prudent person who treats another's affairs with more diligence than their own, because someone's future depends on it.

INDEPENDENCE

The capacity to say the hard thing, to the founder, to the family, to ourselves. Judgement that cannot be bought, softened or captured by those closest to the trust.

Good faith without independence is easily captured. Independence without care is merely cold. Care without good faith is sentiment that cannot be trusted.

FISA has already **written this down for us**

THE HEART | OUR OWN CODE



Everything we have called the heart of the duty, our profession has codified in two words. The FISA Code of Ethics rests on Integrity and Diligence, and binds every member in their business and their personal conduct.

INTEGRITY

Honesty · Fairness · Objectivity
Independence · No conflicts

This is our good faith and our independence, in the Code's own language. Complete honesty, and an avoidance of conflict, whether real or apparent.

DILIGENCE

Knowledge · Competence
Confidentiality · Financial stability

This is our care, made concrete. The steward who keeps learning, guards what is confidential, and keeps their own house in order so they can be trusted with another's.



The Code is the duty, **turned into daily conduct**

THE HEART | THE CODE IN PRACTICE



01 **"Totally honest, fair and trustworthy"**

The Code asks that no one should need to verify what a member says or does. That is good faith, set as the everyday standard.

02 **The client's best interests, independently**

Members must weigh every fact with the client's interests as the determining influence, free of any policy that would not serve them.

03 **A solemn duty to the profession itself**

Members owe a solemn duty to uphold the integrity and honour of the fiduciary profession, and to foster respect for it.

04 **Never bring the profession into disrepute**

The Code's final line. Our conduct is never only our own, we carry the name of every practitioner with us.

PART THREE

The balance

Why the duty, kept faithfully, carries the risk with it

Keep the duty, and **the duty keeps you**

THE BALANCE | THE RESOLUTION OF THE PARADOX



NAVIGATING RISK

A practitioner who acts in genuine good faith, with care, is not chasing risk, they are avoiding it at the source. Most fiduciary failure is a failure of the heart before it is a failure of the file.

STAYING COMPLIANT

Compliance is what good faith looks like written down. The register, the statement, the return, each is simply the duty of care, made visible to those we cannot expect to take it on faith.

DISCHARGING RESPONSIBILITY

Responsibility is not an extra layer above the duty. It is the duty, faced outward, toward every beneficiary who is depending on us to get this right.



DILIGENCE

INTEGRITY

INDEPENDANCE

CARE

GOOD FAITH

The reforms simply ask for **the duty, in writing**

THE BALANCE | A BRIEF ILLUSTRATION



The detail is for another session. The pattern is the point.



The 2026 Trusts Bill asks for an independent voice at the table

It is codifying the independence we already owe.



It asks that we know, and record, who truly benefits

That is care and good faith, written into a register.



It asks for financial statements and an annual account

That is stewardship, made visible to those we serve.



The legacy

Value creation as the long-lasting impact we leave

Not the value we protect, **but the value we leave behind**

THE LEGACY | WHAT VALUE CREATION TRULY MEANS



“ The moral test of a society is how it treats those in the dawn of life, the twilight of life, and the shadows of life.
Hubert H. Humphrey

BUILDING LEGACIES

A family's values, story and cohesion, carried across generations, not only its balance sheet. The trust as a vessel for who a family is, not merely what it owns.

PROTECTING THE VULNERABLE

The whole idea began as protection for those the rigid law left out. The minor, the person without capacity, the beneficiary who cannot yet speak for themselves. That is still our first duty.

GUIDING COMPLEX DECISIONS

Being the steady, trusted voice in the hardest family moments: illness, death, conflict, succession. Presence when it matters most is itself a form of value.



It was always **about care**

THE THREAD, END TO END



Fides

A promise held in good faith.



The duty

Care and independence, woven into one.



The balance

Kept faithfully, it carries the risk.



The legacy

A lasting impact, and the vulnerable protected.

Managing risk well is not the opposite of creating value. Kept faithfully, the duty is the very mechanism through which lasting reward is achieved.



To every fiduciary practitioner **in this room**

A MOMENT, BEFORE WE CLOSE



You are **remarkable** people. You are **trusted**, and you are **worthy** of that trust, to walk families through their hardest seasons, to protect those who cannot protect themselves, and to carry a rare privilege with steady hands and an open heart.

That is not compliance. That is a **calling**, and you answer it every single day.





*"The best way to find yourself is
to lose yourself in the service of
others."*

MAHATMA GANDHI

ALPHA TRUST & FIDUCIARY 