

CONFLICTS OF INTEREST POLICY

Scope and Purpose

This policy applies to all of Cadogan Asset Management's activities and to all staff whether permanent, temporary agency staff, contractors, agents, volunteers or consultants. This policy establishes the standards designed to prevent violations of applicable conflicts of interest regulations.

Policy Statement

The Financial Conduct Authority ('FCA') rules require firms to take all reasonable steps to identify conflicts of interest between themselves and their clients and between one client and another and to prevent conflicts of interest from adversely affecting the interests of their clients. FCA Principle for Business 8 states that 'The firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client'.

Cadogan Asset Management ('Cadogan') is a Financial Conduct Authority-regulated entity, and must therefore adhere to the FCA's Rules and Principles for Business.

A conflict of interest may occur where Cadogan or one of its staff members has an interest (personal or professional) that conflicts with the interests of any of Cadogan's clients.

Cadogan has established, implemented and maintains a conflicts of interest policy and keeps a record of any circumstances in which a conflict of interest may arise or has arisen as a result of the firm's activities.

Cadogan undertakes to identify, manage and monitor any conflicts or potential conflicts that may arise. When making investment decisions for clients, Cadogan staff members must act in clients' best interests and put clients' interests ahead of their own.

Whilst Cadogan does disclose the primary conflicts of interest the firm is exposed to, the focus is on mitigation and oversight rather than reliance on disclosure.

Arising Conflicts

Conflicts may arise between the firm and its clients, between the firm and other members of the group (if there is one), between an employee and the firm, and between clients of the firm.

We have set out below some examples of conflict, although this list is not exhaustive;

Where Cadogan Management or a staff member is likely to;

- make a financial gain or avoid a financial loss at the expense of a client or fund that Cadogan manages;
- has an interest in the outcome of a service provided to the firm, fund or another client or of a transaction carried out
- is able to exert influence over the pricing of a security or fund where the investment management has been delegated to Cadogan;
- has a financial or other incentive to favour the interest of one client over another or of the firm over a client or fund that Cadogan manages;
- will receive an inducement in relation to services provided in the form of money, goods or services other than the standard commission or fees for that service;
- where a supervisor also has individual responsibility for revenue-producing activity in addition to supervisory control.

Controls

Cadogan has identified areas of potential conflicts of interest and the below listed examples are measures we use to ensure appropriate independence. This list is not exhaustive;

Cadogan does not allow client funds to purchase broker research. Any research required by the firm will be paid for out of the firm's own resources;

Where a portfolio manager manages accounts on different fee levels, they are expected to follow the same standards of diligence, oversight and adherence to client best interests rather than favour accounts that provide a higher income;

Any cross trades between different clients are required to be accompanied by an explanation and must not be used to disguise errors;

In the event of an expression of dissatisfaction from a client, an individual independent of the issue complained about is required to assess the grievance and take an active part in determining an appropriate response. The firm's Complaint Handling policy provides

detailed guidance on the investigation process, as well as how any losses incurred should be calculated and refunded;

All gifts and hospitality given and received must be reported to Compliance who will log the information.

Genuine business hospitality which is reasonable and proportionate and not excessive in terms of cost or frequency will not be a breach of this policy. What is reasonable and proportionate will vary and there must be a valid business purpose demonstrated.

Cash and cash equivalent gifts are prohibited.

Staff should seek to prevent the giving or receipt of gifts or paying of expenses if it might influence or be perceived to influence a business decision.

Staff should refer to the Bribery Act Policy, Gifts and Entertainment Policy and Compliance Manual for further details.

Equal access to investment opportunities

Research ideas are shared in weekly stock meetings and through the Investment Committee who meet monthly, ensuring all managers have sight of investment ideas that may be suitable and appropriate for those who have individual portfolio's managed by Cadogan and thus benefit from the same investment opportunity.

It is Cadogan's policy that all trades, including IPOs, are pre-allocated to individual portfolios to prevent a potential conflict of interest. On the rare occasion that an order cannot be filled, reallocation will be made in accordance with our internal procedures designed to ensure the fair treatment of all of our clients. Portfolio managers are individually accountable for every trade and must provide a written explanation of any reallocation of stock.

This process is monitored by our Compliance team who review all IPO trades, and the reasons behind any re-allocations.

Cadogan follows the FCA approach regarding paying for corporate access across all brokers, irrespective of whether regulators covering other markets adopt a more liberal approach.

Personal Account Dealing

Please refer to the Personal Account Dealing policy. The policy applies to all staff and includes both Cadogan held accounts as well as external accounts.

The PA Dealing policy prohibits staff undertaking transactions on their own account in advance of client trades, sets a minimum holding period, and requires pre-approval of transactions.

Allocating the cost of errors between Cadogan and clients

In most cases, in the event of an error the client retains any profit made in accordance with our internal procedures. Where the profit from an error cannot be allocated to the client, Senior Management will make a decision as to where the funds are directed. This may include payment to a registered charity.

Where Cadogan incurs a trading error the cost will always be borne by the firm.

Cadogan staff remuneration

Bonuses and all remuneration to staff are scrutinized by the Remuneration Committee. The remuneration framework is intended to align remuneration with the long-term performance of the Company and its client's portfolios.

External Interests

Cadogan retains a register of all external directorships and other associations held by staff. This information is requested on joining the firm, and annually thereafter. However, staff are required to make such disclosure when an external interest arises, or seek prior approval before accepting an external interest appointment.

Where this may represent a conflict of interest, there is additional oversight of that individual's investment activity. If staff hold a directorship in companies held by Cadogan accounts, they must comply with the firm's Chinese Walls requirements.

External interests which need to be disclosed include;

- being employed or compensated by another entity;
- engaging in any other business, include part time, evening or weekend employment;
- serving as an officer, director or partner in any other entity;
- ownership interest in any non-publicly traded company;
- public speaking or writing activities.

Disclosure of external interests must include;

- the name of the outside organization;
- description of the business of the outside organization;
- compensation, if any, to be received;
- a description of the activities to be performed;
- amount of time per month that will be spent on the outside activity.

Chinese Walls

Chinese Wall is an information barrier implemented within the firm to separate and isolate persons who make investment decisions from persons who are privy to undisclosed material information which may influence those decisions.

Cadogan employees are restricted in respect of systems access depending on the department to which they belong and segregation of duties and appropriate systems access restrictions exist between various functions.

Where there is any other conflict of interest, staff are required to distance themselves from the transaction in question and remain on the non-influential side of the wall.

Financial Transactions

Any financial transaction between Cadogan and clients, vendors or other third parties has the potential to represent a conflict of interest. Procedures are therefore in place, such as via Best Execution and Outsourcing policies that outline how such conflicts are identified and mitigated. However, as an over-arching requirement, all such transactions should be considered to assess whether a conflict exists or could be seen to exist.

Disclosure of Conflicts

Subject to terms agreed between Cadogan and the Client, Cadogan shall not undertake any transactions on the Client's behalf in which Cadogan has directly or indirectly a material interest nor have any relationship with another party which may involve a conflict with Cadogan's duty to the Client unless that interest or relationship is disclosed in writing to the Client. Such disclosure is usually made by a general disclosure in Cadogan's Terms of Business.

Following disclosure, neither Cadogan nor any associate shall be liable to account to the Client for any profit, commission, remuneration made or received from or by reason of such transactions or connected transactions. Cadogan shall take reasonable steps to ensure fair treatment for the client in relation to such transactions.

Impact of Failure to Comply

Failure to comply with this Policy will be considered a breach of an employee's contract of employment. The consequences of non-compliance are set out in an employee's contract of employment and may lead to disciplinary action and/or dismissal.

Reporting and Whistleblowing

The Compliance Officer retains a Conflicts of Interest register.

All staff must raise concerns with the Compliance Officer as soon as possible if there is reason to believe or suspect that a conflict of interest has occurred, or may occur in the future.