



GUARDCAP

CONFLICTS OF INTEREST POLICY

December 2021

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1. INTRODUCTION

The Firm conducts its business in accordance with FCA Principle 8 which requires the Firm to manage conflicts of interest fairly, both between the Firm and its clients as well as between one client and another client.

SYSC 10.1 requires the Firm to take all appropriate steps to identify and to prevent or manage conflicts of interest that arise in the course of the Firm providing its services, between:

- the Firm including its managers, employees and appointed representatives or any person directly or indirectly linked to them by control (collectively “**Staff**”), and a client of the Firm; or
- one client of the Firm and another client;

including those caused by the receipt of inducements from third parties or by the Firm’s own remuneration and other incentive structures.

The Firm’s policy is to take all appropriate steps to maintain and operate effective organisational and administrative arrangements to identify, and to prevent or manage potential and actual conflicts of interest in the Firm’s business.

This document constitutes the Firm’s Conflicts of Interest Policy (the “**Policy**”). The Policy applies to all Staff of the Firm. It aims to identify the circumstances which constitute or may give rise to a conflict of interest and specifies procedures to be followed and measures to be adopted in order to manage such conflicts.

The Firm maintains a Conflicts Register (see Appendix A) which contains a summary of the Firm’s conflicts and the procedures in place to manage them. The Conflicts Register is regularly updated, and particularly whenever a new conflict is identified or the method for managing a conflict is altered.

2. IDENTIFYING TYPES OF CONFLICTS OF INTEREST

For the purposes of identifying the types of conflict and potential conflicts that arise which may damage the interests of a client, the Firm must take into account whether the Firm or a member of Staff:

- Is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- Has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client’s interest in that outcome;
- Has a financial or other incentive to favour the interest of one client or group of clients over the interests of another client;
- Carries on the same business as the client; or
- Receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services other than the standard commission or fee for that service.

3. PROVISION OF INFORMATION TO CLIENTS

Prior to undertaking business for a client, the Firm provides the client with a summary of this Conflicts of Interest Policy, a copy of which is provided at Appendix C. The Firm provides the summary in pdf format by email.

4. MANAGING CONFLICTS

4.1 GOVERNANCE

The Firm has robust governance arrangements and senior management oversight of the business. Key business decisions are taken by the Governing Body which understands the Firm’s obligations to manage and mitigate conflicts of interest. The Firm’s senior management are responsible for ensuring that the Firm’s systems and controls and procedures are robust and adequate to identify and manage any conflicts of interest that may arise.

Discussion of conflicts within the business is a standing agenda item at Firm board meetings and senior management regularly discuss and review the processes in place for prevention and management of identified conflicts.

It is the on-going responsibility of all Staff to identify potential and actual conflicts of interest as they arise in the Firm's business and to notify the Compliance Officer immediately. The Compliance Officer is responsible for implementing appropriate procedures to manage and monitor those conflicts and reports directly to the Governing Body on a regular basis. Management information relevant to identifying conflicts is reviewed by the Compliance Officer (including risk reports, monitoring of account and position statements produced by the Firm's third-party administrators for client assets and other risk scenarios).

4.2 MANAGEMENT REPORTING

The Governing Body of the Firm receives, at least annually, written reports on all identified conflicts. The Compliance Officer is responsible for ensuring that the Governing Body receives such reports.

4.3 SEGREGATION OF FUNCTIONS AND INDEPENDENCE

The Firm has a clear organisational structure with well-defined, transparent and consistent lines of responsibility.

The Firm has structured its senior management to appropriately segregate duties so as to avoid conflicts of interest wherever possible.

The Firm also engages external compliance consultants to advise on the Firm's compliance programme, to undertake independent review of the Firm's satisfaction of its regulatory obligations, including its management of conflicts of interest and its on-going monitoring requirements.

4.4 INFORMATION BARRIERS

The Firm has effective procedures to prevent or control the exchange of information between Staff engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients.

4.5 REMUNERATION

The Firm has a documented Remuneration Policy detailing the Firm's approach to remuneration and compensation arrangements.

The Firm's interests and the Staff's interests are aligned with those of the Firm's clients. Pay and bonuses are linked to numerous factors and the Remuneration Policy ensures that incentives are consistent with the provision of fairness and do not create conflicts.

4.6 PERSONAL CONFLICTS OF STAFF

All Staff are required to disclose in writing any conflicts of interest upon commencement of employment with the Firm and on a periodic basis. Staff shall disclose any potential or actual conflicts of interest directly to the Compliance Officer.

4.7 DISCLOSURE TO CLIENTS

If the Firm's arrangements to manage a potential conflict of interest are not sufficient to ensure with reasonable confidence that the risk of damage to the interests of a client will be prevented, the Firm will clearly disclose the following to the client before undertaking business for the client:

- the general nature or sources of conflicts of interest, or both; and
- the steps taken to mitigate those risks.

The Firm treats disclosure of conflicts as a measure of last resort to be used only where the effective organisational and administrative arrangements established by the Firm to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of clients will be prevented.

Disclosures are made as follows:

- in a durable medium;
- clearly stating that the organisational and administrative arrangements established by the Firm to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interest of the client will be prevented;
- including a specific description of the conflicts of interest that arise in the provision of investment services or ancillary services;
- explaining the risks to the client that arise as a result of the conflicts of interest; and
- with inclusion of sufficient detail, taking into account the nature of the client, to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest has arisen.

The Firm uses a prescribed format for making disclosures, a template for which is provided in Appendix D.

4.8 DECLINING TO ACT

The Firm may decline to act for a client in cases where the Governing Body believes the conflict of interest cannot be managed in any other way.

4.9 POLICIES & PROCEDURES

In addition to this Policy, the Firm has comprehensive policies and procedures which are designed to establish consistent controls to manage and mitigate conflicts. These policies cover areas such as Insider Dealing and Market Abuse, Outside Business Activities, Gifts, Inducements and Business Entertainment, Research, Product Governance, Fraudulent Practices and Money Laundering and Whistleblowing.

5. STAFF TRAINING

Upon joining the Firm, Staff receive guidance and training in respect of this Policy to ensure they are aware of the importance of the Policy and the need to report any potential or actual conflict of interest immediately to the Compliance Officer.

6. UPDATING AND REVIEW OF THIS POLICY AND CONFLICTS REGISTER

This Policy and the Firm's Conflicts Register will be updated at least annually and whenever new services or products are provided by the Firm, new conflicts are identified either by Staff or as part of the Firm's compliance monitoring programme, or new procedures to manage conflicts are put in place.

APPENDIX A

EXAMPLE: CONFLICTS REGISTER

Potential & Actual Conflicts	Mitigating Controls / Applicability	Managed, Prevented or Disclosed?
<p>Valuation – Where the Firm may exercise a significant amount of influence over valuations of hard to value securities in its favour, which may increase fees and/or assets under management.</p> <p>The ability of the Firm to influence the reported valuation of a fund that it manages could be to the detriment of investors entering or exiting the fund.</p>	<ul style="list-style-type: none"> • The Firm has Principles to ensure the fair valuation of assets and the avoidance of any conflicts throughout the valuation process • An independent administrator is engaged on behalf of the Fund(s) • The Firm currently trades in liquid securities with readily available market pricing; therefore the risk of incorrect valuation is minimal 	Managed
<p>Fair Aggregation and Allocation of Orders – A potential conflict exists if the Firm gives priority in trade aggregation and/or allocation to one client over other clients.</p>	<ul style="list-style-type: none"> • The Firm has procedures and controls documented in its Aggregation and Allocation Policy to ensure each client receives fair aggregation and allocation. A copy of this policy is made available to clients. Such controls and procedures are designed to avoid any conflict of interest arising throughout the aggregation and allocation process. 	Managed
<p>Proprietary Trading – Where the Firm trades on its own account potentially to the detriment of a client.</p>	<ul style="list-style-type: none"> • The Firm does not undertake proprietary trading 	Prevented
<p>Different Strategies and Mandates – Where different objectives and mandates might lead to a conflict between the Firm and its clients.</p> <p>For example, a potential conflict arises when portfolio managers are simultaneously long and short in the same security in different portfolios due to different strategies, objectives or time horizons.</p>	<ul style="list-style-type: none"> • The Firm's portfolio management team does not manage conflicting strategies 	Prevented

Potential & Actual Conflicts	Mitigating Controls / Applicability	Managed, Prevented or Disclosed?
<p>Trade Execution – Conflicts may arise with the Firm’s duty of best execution when the Firm executes with brokers who do not provide the best result or execution quality.</p>	<ul style="list-style-type: none"> • The Firm has procedures and controls documented in its Order Execution Policy which sets out how the Firm ensures best execution is achieved for each trade. Such procedures are designed to ensure that no conflict arises in any part of the decision-making process relating to order execution e.g. which venue or broker to execute through. • The Firm does not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or execution venue which would cause a conflict with the best interests of its clients. • The Firm undertakes ongoing monitoring of execution 	Managed
<p>Use of Research – conflicts may arise where the Firm also receives research from brokers. Conflicts may also arise in the allocating of research spend between clients or where a mixed funding approach is used.</p>	<ul style="list-style-type: none"> • The Firm pays for all research received from brokers directly out of its own funds 	Managed
<p>Delegation – Where the Firm delegates key functions to third parties that have other clients and/or competing obligations.</p>	<ul style="list-style-type: none"> • The Firm enters into written agreements with third parties which document the responsibilities of both parties in order to avoid any conflicts arising • Where applicable, third parties are required to disclose conflicts to the Firm 	Managed
<p>Side Letters – Where one client receives information that could place other clients who do not receive the information at a material disadvantage or where one client is given preferential terms over another client.</p>	<ul style="list-style-type: none"> • Disclosure of the existence of side letters and the ability of the Firm to grant other investors preferential terms is documented in the Fund(s) offering memorandum 	Managed
<p>Remuneration – Where portfolio manager remuneration is performance based, there may be an incentive to manage funds in a more speculative and risky manner. Care needs to be exercised to ensure that managers do not seek to improve performance by taking on overly risky positions in the hope of reaching any performance target.</p>	<ul style="list-style-type: none"> • The investment strategy focuses on the long term and complies with the investment mandate set out in the offering memorandum and/or investment management agreement. • Compliance with the investment restrictions is monitored on a regular basis. • The Firm has a documented Remuneration Policy which applies to “Code Staff” and promotes effective risk management and does not encourage risk 	Managed

Potential & Actual Conflicts	Mitigating Controls / Applicability	Managed, Prevented or Disclosed?
	<p>taking which is inconsistent with the risk profile of the Firm's investment mandates.</p> <ul style="list-style-type: none"> The Firm does not remunerate or assess the performance of staff in a way that conflicts with the Firm's duty to act in the best interests of clients. 	
<p>Dealing Errors – Where the Firm benefits from a trade error to the detriment of the client.</p>	<ul style="list-style-type: none"> All dealing errors are resolved fairly and in the best interest of the client. The Firm has a Dealing Errors Policy in place which documents the procedures to be followed should a dealing error occur and ensures any conflicts are avoided, particularly in relation to the fair treatment of clients. All dealing errors are documented on the dealing errors log, subsequently investigated and procedures adapted to ensure the same error cannot recur. 	Managed
<p>Cross Trading – Where crossing is not in the best interests of both clients.</p>	<ul style="list-style-type: none"> Any cross trading is only permitted if it is in the best interests of all clients to the trade Trades are executed at market price via brokers The Firm has procedures and controls documented in its Order Execution Policy 	Managed
<p>Proxy Voting – Where the Firm is not voting proxies in the best interests of its clients.</p>	<ul style="list-style-type: none"> The Firm has procedures and controls in place to ensure that all voting is completed in the best interests of clients. Such controls are documented in the Firm's Proxy Voting Policy. 	Managed
<p>Personal Account Dealing – Where staff undertake personal securities transactions while potentially in receipt of material non-public information or front run client accounts.</p>	<ul style="list-style-type: none"> The Firm has procedures and controls documented in its Personal Account Dealing Policy which are designed to prevent any conflicts of interest arising from staff's personal account dealing. Pre-approval of trade requests is required for personal account dealing The Firm requires that all personal account dealing is notified to the Compliance Officer The Firm maintains a Restricted List Strict prohibition and documented procedures and controls on use of inside information 	Managed

Potential & Actual Conflicts	Mitigating Controls / Applicability	Managed, Prevented or Disclosed?
	<ul style="list-style-type: none"> The Firm undertakes on-going trade monitoring including a comparison of personal account trades with firm trades (to detect and prevent front running) 	
<p><u>Gifts, Inducements and Entertainment</u> – Where any gift, inducement or other entertainment is given to or received from brokers/service providers to influence the business relationship between the Firm and its service providers.</p>	<ul style="list-style-type: none"> The Firm has documented procedures and controls in its Gift, Inducement & Entertainment Policy and Register which are designed to avoid all conflicts of interests arising from the giving and receiving of any inducements, including gifts and entertainment. The Firm has documented procedures and controls in its Bribery Policy which are designed to ensure that the Firm is not conflicted in its dealings with external parties Staff expenses are monitored and reviewed against the Gift, Inducement and Entertainment Register 	Disclosed
<p><u>Outside Business Activities & Directorships</u> – Where staff undertake outside business activities which may conflict with the interests of the accounts and funds managed by the Firm.</p>	<ul style="list-style-type: none"> Staff are required to disclose and obtain pre-approval of all business activities. This includes positions related to investment or of a financial nature, especially if such activities are appointments as a director, officer, outside employment and/or offer compensation. 	Managed
<p><u>Different Fee Structures</u> – Conflicts may arise from differing funds and clients with differing fee structures. Due to the different fees, there is a potential conflict as portfolio managers might favour those clients that generate higher fees.</p>	<ul style="list-style-type: none"> The Firm has processes and controls in place for dealing with clients with different funds and fee structures. Such controls are documented in the Firm's Aggregation and Allocation Policy. 	Managed
<p><u>Cross Fund Investing</u> – Where the Firm invests assets in one fund or segregated account that it manages into another fund that it manages (for example to give limited exposure to a different strategy) there may be a conflict of interest if management fees are charged on the cross fund investment holding.</p>	<ul style="list-style-type: none"> The Firm does not undertake cross fund investing 	Prevented

Potential & Actual Conflicts	Mitigating Controls / Applicability	Managed, Prevented or Disclosed?
<p>Product Governance – the way in which the Firm manufactures financial instruments may be in conflict with exposures held by clients.</p>	<ul style="list-style-type: none"> • The Firm has documented its product governance arrangements in its Product Governance Policy. This Policy includes arrangements to ensure that conflicts of interest are properly managed, governance processes to ensure effective control over the manufacturing process, the assessment of products' potential target market, the assessment of the risks of poor investor outcomes posed, due consideration of products' charging structure, the provision of adequate information to distributors and the regular review of products. • The Firm does not manufacture financial instruments 	<p>Managed</p>

APPENDIX B
EXAMPLE: INDUCEMENTS REGISTER

Inducement	Provider	Categorisation / Rationale

APPENDIX C

SUMMARY OF CONFLICTS OF INTEREST POLICY

GuardCap Asset Management Limited (the “Firm”)

C.1 INTRODUCTION

The Firm conducts its business in accordance with FCA Principle 8 which requires the Firm to manage conflicts of interest fairly, both between the Firm and its clients as well as between one client and another client.

SYSC 10.1 requires the Firm to take all appropriate steps to identify and to prevent or manage conflicts of interest that arise in the course of the Firm providing its services, between:

- the Firm including its managers, employees and appointed representatives or any person directly or indirectly linked to them by control (collectively “**Staff**”), and a client of the Firm; or
- one client of the Firm and another client;

including those caused by the receipt of inducements from third parties or by the firm’s own remuneration and other incentive structures.

The Firm’s policy is to take all appropriate steps to maintain and operate effective organisational and administrative arrangements to identify, and to prevent or manage potential and actual conflicts of interest in the Firm’s business.

C.2 CONFLICTS REGISTER

The Firm maintains a Conflicts Register which contains a summary of the Firm’s conflicts and the procedures in place to manage them. The Conflicts Register is regularly updated, and particularly whenever a new conflict is identified or the method for managing a conflict is altered.

C.3 IDENTIFYING TYPES OF CONFLICTS OF INTEREST

For the purposes of identifying the types of conflict and potential conflicts that arise which may damage the interests of a client, the Firm must take into account whether the Firm or a member of Staff:

- Is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- Has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client’s interest in that outcome;
- Has a financial or other incentive to favour the interest of one client or group of clients over the interests of another client;
- Carries on the same business as the client; or
- Receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services other than the standard commission or fee for that service.

C.4 MANAGING CONFLICTS

C.4.1 GOVERNANCE

The Firm has robust governance arrangements and senior management oversight of the business. Key business decisions are taken by the Governing Body which understands the Firm’s obligations to manage and mitigate conflicts of interest. The Firm’s senior management are responsible for ensuring that the Firm’s systems and controls and procedures are robust and adequate to identify and manage any conflicts of interest that may arise.

Discussion of conflicts within the business is a standing agenda item at Firm board meetings and senior management regularly discuss and review the processes in place for prevention and management of identified conflicts.

It is the on-going responsibility of all Staff to identify potential and actual conflicts of interest as they arise in the Firm’s business and to notify the Compliance Officer immediately. The Compliance Officer

is responsible for implementing appropriate procedures to manage and monitor those conflicts and reports directly to the Governing Body on a regular basis. Management information relevant to identifying conflicts is reviewed by the Compliance Officer (including risk reports, monitoring of account and position statements produced by the Firm's third-party administrators for client assets and other risk scenarios).

C.4.2 MANAGEMENT REPORTING

The Governing Body of the Firm receives, at least annually, written reports on all identified conflicts. The Compliance Officer is responsible for ensuring that the Governing Body receives such reports.

C.4.3 SEGREGATION OF FUNCTIONS AND INDEPENDENCE

The Firm has a clear organisational structure with well-defined, transparent and consistent lines of responsibility.

The Firm has structured its senior management to appropriately segregate duties so as to avoid conflicts of interest wherever possible.

The Firm also engages external compliance consultants to advise on the Firm's compliance programme, to undertake independent review of the Firm's satisfaction of its regulatory obligations, including its management of conflicts of interest and its on-going monitoring requirements.

C.4.4 INFORMATION BARRIERS

The Firm has effective procedures to prevent or control the exchange of information between Staff engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients.

C.4.5 DISCLOSURE TO CLIENTS

If the Firm's arrangements to manage a potential conflict of interest are not sufficient to ensure with reasonable confidence that the risk of damage to the interests of a client will be prevented, the Firm will clearly disclose the following to the client before undertaking business for the client:

- the general nature or sources of conflicts of interest, or both; and
- the steps taken to mitigate those risks.

The Firm treats disclosure of conflicts as a measure of last resort to be used only where the effective organisational and administrative arrangements established by the Firm to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of clients will be prevented.

Disclosures are made as follows:

- in a durable medium;
- clearly stating that the organisational and administrative arrangements established by the Firm to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interest of the client will be prevented;
- including a specific description of the conflicts of interest that arise in the provision of investment services or ancillary services;
- explaining the risks to the client that arise as a result of the conflicts of interest; and
- with inclusion of sufficient detail, taking into account the nature of the client, to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest has arisen.

C.4.6 DECLINING TO ACT

The Firm may decline to act for a client in cases where the Governing Body believes the conflict of interest cannot be managed in any other way.

C.4.7 POLICIES & PROCEDURES

In addition to this Policy, the Firm has comprehensive policies and procedures which are designed to establish consistent controls to manage and mitigate conflicts. These policies cover areas such as Insider Dealing and Market Abuse, Outside Business Activities, Gifts, Inducements and Business Entertainment, Research, Product Governance, Fraudulent Practices and Money Laundering and Whistleblowing.

C.5 STAFF TRAINING

Upon joining the Firm, Staff receive guidance and training in respect of this Policy to ensure they are aware of the importance of the Policy and the need to report any potential or actual conflict of interest immediately to the Compliance Officer.

APPENDIX D

EXAMPLE: CONFLICTS DISCLOSURE TEMPLATE

[Insert name of Firm] (the “Firm”)

Disclosure of Conflicts of Interest [Insert Date]

In accordance with the requirements set out in the SYSC chapter of the FCA Handbook, the Firm has a comprehensive Conflicts of Interest Policy in place which includes the identification of conflicts and taking all appropriate steps to identify and to prevent or manage those conflicts. All conflicts identified are reviewed by senior management. The Firm has a documented Conflicts Register which explains the nature of each conflict and how it is prevented or managed. In the event that the Firm is unable to adequately prevent or manage a conflict, the Firm must disclose details of that conflict to affected clients (as required by SYSC 10.1.8).

Conflicts of interest arise in the course of the Firm providing its services, between:

- the Firm including its managers, employees and appointed representatives or any person directly or indirectly linked to them by control (collectively “**Staff**”), and a client of the Firm; or
- one client of the Firm and another client;

including those caused by the receipt of inducements from third parties or by the Firm’s own remuneration and other incentive structures.

The following conflict(s) **[has/have]** been identified by the Firm as having not been prevented or adequately managed and therefore the Firm is disclosing further information to you.

[Insert a description of the conflict of interest that arises in the provision of investment services or ancillary services.]

The organisational and administrative arrangements established by the Firm to prevent or manage the conflict(s) detailed above are not sufficient to ensure, with reasonable confidence, that the risks of damage to your interests will be prevented.

[Insert a description of the risks to the client that arise as a result of the conflicts of interest, including sufficient detail, taking into account the nature of the client, to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest has arisen.]

Please contact the Compliance Officer at the Firm if you have queries in relation to this disclosure.

Telephone: 020 7907 2400

Email: AKoshutova@guardiancapital.com

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