

DELMORE ASSET MANAGEMENT LIMITED

CONFLICTS OF INTEREST POLICY

What is a Conflict of Interest?

A conflict of interest can occur when an investment management company such as Delmore Asset Management Ltd (Delmore) carries out activities, which may conflict, or appear to conflict, with the interests of another client, or group of clients, if those activities are not appropriately organised and controlled.

The Guiding Principles

Under FCA's Principle for Business, Principle 8 (Conflicts of Interest) we are required to pay due regard to the interests of each client and to manage any conflicts of interest fairly, both between our firm and our clients and between a client and another client. The specific rules for dealing with conflicts of interest can be found under the Senior Management Systems and Controls (SYSC) rules which can be found at SYSC 10.

Delmore is required to take all appropriate steps with regards to prevention, identification and management of Conflicts of Interest that might arise between us (including our managers, directors, consultants, officers and employees and; any agents or representatives that might act on our behalf; or any person linked directly or indirectly to them by control) and our clients, and between clients. Where we are unable to prevent or adequately manage a Conflict of Interest we will disclose this existence of such a conflict and may discuss with you how we intend to continue to manage your account initially and on an ongoing basis.

Our Responsibilities

The FCA Handbook on Senior Management Arrangements, Systems and Controls (SYSC) sets out in rule SYSC 5.1.7 that the directors of Delmore are required to define arrangements concerning the prevention of conflicts of interest. The directors are also required to ensure that the firm complies with the following specific rules:

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- SYSC 10.1.7 requires the firm to take all sufficient steps to maintain and operate effective organisational and administrative arrangements to prevent conflicts of interest from adversely affecting the interests of clients.
- SYSC 10.1.8 requires the firm to disclose the general nature and/or sources of conflicts of interest to the client before undertaking business for the client where the firm is not confident that it has been able to manage its conflicts of interest effectively such that client's interests will not be damaged.

Purpose of the Conflicts of Interest Policy

- a. To prevent and identify any potential circumstance which may give rise to conflicts of interest, and which may adversely affect clients' interests;
- b. To establish appropriate mechanisms and systems to manage those conflicts; and
- c. To maintain systems to prevent actual damage to clients' interests through the identified conflicts;

Identification and Recording of Conflicts of Interest

Our staff are required to understand what a conflict of interest is and to identify actual and potential conflicts of interest as they arise. Conflicts of interest arise where the firm or a relevant person, or a person directly or indirectly linked by control to the firm:

1. is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
2. 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;
3. has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
4. carries on the same business as the client; or in the case of a management company, carries on the same activities for the UCITS scheme and for another client or clients which are not UCITS schemes; or
5. 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.

Conflicts of interest may therefore include but are not restricted to interests between:

- Delmore and our clients
- Our staff and our clients
- Two or more different clients
- Thirds parties and our clients
- New services / products and our clients

Conflict of Interest Management

Where staff identify a conflict of interest they will report them to the Compliance Officer who will record them. The Compliance Officer will decide what the appropriate action to take is. In no case will the firm or any given client be favoured to the detriment of another client and in all instances the conflict of interest will be managed fairly.

The material and relevant potential conflicts of interest alongside the management policy identified by the firm are set out in the table below.

For each conflict of interest identified a director of Delmore will be allocated the responsibility of managing the firm's arrangements for dealing with that conflict of interest. As at the date of this policy the following actual or potential conflicts of interest have been identified:

Register of Conflicts of Interest	
Conflict	Management
Allocation of part filled orders between clients may create conflicts of interest between clients.	The firm has adopted an order allocation policy to ensure that part filled orders are allocated on an appropriate basis.
The firm is the investment manager of an OEIC and may purchase or sell units in this OEIC on behalf of its discretionary clients. Purchases of units in the OEIC on behalf of clients may increase revenues to the firm.	If an investment manager considers that it is appropriate for a client to purchase units in the OEIC then the suitability statement for the transaction must be signed off by the Compliance Officer.
Conflicts could arise between the Firm and client interests when the firm undertakes transactions in the securities of companies that could be included in client portfolios.	The Firm does not undertake own account transactions and indeed is not permitted to do so.
The firm's staff may purchase or sell for their personal account securities which the firm may buy or sell on behalf of clients.	Rigorous personal account dealing policies and procedures apply to all the firm's directors and staff, these are detailed in the firm's compliance manual.
The firm may manage employee accounts (including personal accounts, family member accounts, and related trust or retirement accounts) which can buy and sell the same securities as other clients.	All fee-paying accounts are entitled to the same level of treatment. Any non-fee paying employee related accounts are given a lower priority when transacting.
Where employees offer or give, solicit or accept, either in the course of the firm's regulated business or otherwise, any inducement there is a risk that this may lead to a conflict of interest with the duties owed to our clients.	We have put in place written procedures, policies and reporting mechanisms to ensure that our employees do not offer or receive any inducements or gifts that would influence the fair treatment of our clients.
Investment managers may undertake excessive turnover of holdings in clients' portfolios in order to provide better access to investment research for the firm.	The Firm does not pay for research out of client research payment accounts, absorbing any research costs out of its own resources. Portfolio activity levels are independently monitored.
Directorship of listed company.	Notification of closed period for transactions.

Conflict of Interest Disclosure

Where, despite the above procedures we identify or fail to prevent a conflict of interest which may adversely affect the interests of a client, we will clearly disclose the general nature and/or sources of the potential conflicts and the steps to be taken to mitigate those risks to the client before undertaking business with the client.

In the disclosure referred to above, we will notify the client of the fact that we consider that the organisational and administrative arrangements established by us to prevent or manage that conflict could be insufficient to ensure, with reasonable confidence, that the risks of damage to the client's interests will be prevented.

This disclosure will take place as follows:

- Our internal compliance department will be advised of the potential conflict of interest in writing
- We will advise our client in writing, of the potential conflict of interest and ask them to provide their written consent to proceed
- The client's written consent along with the request will be passed to our compliance department which can then provide approval to proceed as appropriate
- Copies of both letters, together with the written authorisation to proceed, where applicable, will be retained on the client file.

We will seek to identify, manage and mitigate a conflict and consider the disclosure to a client referred to above as a measure of last resort. If disclosure is impractical, we must manage the conflict of interest so that any disadvantage to the client is avoided. Alternatively, we must look to eliminate the conflict of interest by either declining to act or disposing of the holding or relationship that gives rise to the conflict.

Further information

Under the FCA's Conduct of Business Handbook (COBS) the firm is required under rule COBS 6.1.4 to disclose to all clients (in summary form if preferred) the firm's conflicts of interest policy. If the client requests further details of the firm's conflicts of interest policy then this must be disclosed.

If you would like further information about our conflicts management policies and procedures, please contact the Compliance Officer at Delmore Asset Management Ltd.