

## **Independent Franchise Partners, LLP (“the Firm”)**

### **Summary of the Conflicts of Interest Policy – February 2023**

#### **Introduction**

Under Principle 8 of the FCA Principles and the SYSC 10. regulations, the Firm is required to take all appropriate steps to identify and to prevent or manage conflicts of interest between the Firm (or its staff) and its clients, or between one client and another, including those caused by the receipt of inducements from third parties or by the Firm’s own remuneration and other incentives.

The Firm also is required to have in place a policy and procedures which prevent and manage any such conflicts. This policy meets the Firm’s obligations under both the FCA and SEC regulations.

The mismanagement of conflicts can present a serious risk to the Firm, its partners, employees and contractors (“Staff”), customers, counterparties and other market participants. The proper management of conflicts of interest is integral to the effective operation of the Firm. This policy document is therefore applicable to all Staff to ensure that they are aware of how the Firm expects conflicts to be handled by them.

This policy outlines the approach the Firm takes to identify and manage conflicts of interest which may occur, as well as the subsequent documentation, review and disclosure of the conflict where necessary. The Firm’s intention is to act at all times in the best interest of its clients, in accordance with all applicable laws and regulations.

#### **Identification of Conflicts**

It is the responsibility of the Firm’s partners to ensure that the inventory of potential conflicts is renewed and revised at least annually and as is otherwise appropriate.

Conflicts of interest may include, but are not limited to, the following situations

- Where the Firm is likely to make a financial gain or avoid a financial loss at the expense of a client
- Where the Firm has a conflicting interest in the outcome of a transaction to that of a client.
- Where one clients or group of clients’ interests are more attractive financially (or otherwise) than those of another client.
- Where the Firm does the same business as the client concerned.
- Where the Firm 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 remuneration, goods or services, that is not the standard commission or fee for that service.
- Where a supervised person as defined by the SEC Rules may have, or acquire, any direct or indirect interest, activity or association which influences or interferes with, or which might or could be

thought to interfere with or influence, the independent exercise of his judgment in the best interests of the Firm.

- Where a supervised person profits, or seeks to profit, directly or indirectly, from opportunities or business information that are available to, or obtained by, him as a result of his position with the Firm.
- Where the interests of one client conflict with the interests of another client.

### **Management of Conflicts**

The partners of the Firm have considered and identified situations where a conflict might occur. These have been set out in the Policies and Procedures to Prevent Conflicts section, together with the processes by which such conflicts are to be prevented from materially damaging the interests of the clients.

All Staff have a duty to raise actual and potential conflicts to the attention of the partners as soon as practicable. In the first instance, these should be raised to the compliance function (the compliance officer and compliance manager). Compliance will ensure that a proper process is followed and that any identified conflict will be logged in the conflicts inventory.

Conflicts of interest that may arise will vary, and will need to be managed on a case by case basis. The partners, general counsel, compliance and other support and control functions will consider the following when managing conflicts:

- The number of clients involved
- The obligations of confidentiality owed to each client
- Potential impact on the client
- Whether the client is already aware of a potential conflict and has given informed consent to proceed
- Disclosure of the conflict to the client
- Legal and compliance considerations
- Reputational issues

Having considered the conflict, the managing partner, or another partner where the managing partner is himself conflicted, acting in consultation with the compliance officer and such other staff as may be appropriate, will determine whether:

- The Firm can manage the conflict and put appropriate internal procedures in place to remediate the recurrence of the conflict;
- The Firm cannot manage the conflict and should decline to act if appropriate;
- No conflict is deemed to exist; or
- The conflict can be resolved or eliminated by a change in business practice or removal of the competing interest.

### **Conflicts Disclosure**

Where the Firm is not reasonably confident that it is able to put in place arrangements to prevent the risk of damage to a client's interest, the Firm must clearly disclose the general nature and/or sources of

conflicts of interest to the client before undertaking any business. This is a measure of “last resort” after all attempts have been made to remove or mitigate the conflict.

The disclosure must provide sufficient details, taking into account the nature of the client, to enable that client to make an informed decision with respect to the service in the context of which the conflict of interest arises. This includes disclosure of the general nature or sources of the conflict of interest, the risks to the client that arise as a result of the conflict and the steps taken to mitigate those risks.

The disclosure will be made in writing and clearly state that organisational and administrative arrangements established by the Firm to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that there is no risk of damage to the interests of the client. In all circumstances, the confidentiality of the client will be maintained.

### **Conflict Monitoring**

The Firm’s business is solely to provide investment services to institutional clients. It offers a limited range of investment strategies and the investment guidelines which are applied to client portfolios, with the exception of minor deviations, are consistent. These factors, as well as the Firm’s Code of Ethics serve substantially to reduce the risk of a conflict occurring.

In addition to the annual review, the Firm will review at the quarterly partners’ meetings, any conflicts that have been logged in the conflicts inventory. This includes periodic review of the conflicts inventory.

### **Record Keeping**

The Firm maintains written records of conflicts of interest and any disclosures made to clients in line with document retention policies. Such records are reviewed by partners and are available for the review by the Firm’s external auditor and regulators.

### **Conflicts Training**

All Staff receive a copy of the Firm’s Conflicts Policy. In addition, all Staff are required to give an undertaking of adherence to the Firm’s compliance procedures, including personal account dealing and receipt of gifts and inducements. All staff receive training in respect of conflicts of interest.