

CONFLICTS OF INTEREST POLICY



1. INTRODUCTION

In accordance with the FCA rules EdenTree Investment Management Limited (EIM) and EdenTree Asset Management Limited (EAM), (together EdenTree) is required to establish, implement and maintain an effective conflicts of interest policy that is appropriate to the nature and scale of the firms' business.

This policy sets out key areas where EdenTree may be subject to a conflict of interest in the provision of services to clients whilst carrying out regulated or ancillary activities. The policy covers those circumstances which either constitute or could give rise to a conflict of interest entailing a material risk of damage to the interest of one or more clients.

The policy describes the structures that have been put in place to limit the consequences of these actual or potential conflicts of interest. The structures make use of separation of function, restrictions on activities, and are designed to ensure that relevant persons maintain an appropriate degree of independence.

2. ACTIVITIES OF EDENTREE

2.1 EdenTree is part of the Benefact Group (formerly Ecclesiastical Insurance Group). The main activity of EdenTree and its principal source of income is the provision of investment management services to professional clients which includes group companies.

3. CIRCUMSTANCES WHICH CONSTITUTE OR COULD GIVE RISE TO A CONFLICT OF INTEREST

We have listed below actual or potential conflicts of interest that could arise entailing a material risk of damage to the interest of one or more clients:

- Conflicts relating to the interests of the Benefact Group and the investors in the funds managed by EdenTree;
- Failing to allocate securities between clients and or funds on an equitable basis;
- Product characteristics (e.g. charges, objectives or its general operation) that could benefit EdenTree at the expense of the end investor.
- Conflicts which may act as an incentive to favour one set of investors over another.
- Substantial gifts or entertainment;
- Entering into mandates where clients have conflicting interests;
- Misuse of information for personal gain / inside dealing;
- Personal Account Dealing by employees;
- Remuneration and Oversight
- Conflicts of interest where EAM acts as a service provider to EIM

4. PROCEDURES AND MEASURES TAKEN TO MANAGE CONFLICTS

The procedures and measures we have taken to manage the conflicts of interest identified above are summarised below. These procedures and measures are designed to ensure that relevant persons involved in activities identified above maintain an appropriate degree of independence and other appropriate behaviours.

4.1.1 Reporting lines

Reporting lines are designed to avoid conflicts arising so that where necessary there is separation of duties and relevant staff are supervised adequately. In addition procedures are in place to minimise the exchange of information between persons where such an exchange of information could give rise to a conflict of interest. However it is not possible entirely to remove conflicts. In particular, all relevant staff are required to report actual or potential conflicts of interest to management as they are identified.

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4.1.2 Remuneration Structures

Remuneration policies are designed to avoid rewarding behaviour that could lead to unnecessary risk taking that disadvantages clients. Fund managers and senior managers who are material risk takers (Code Staff) are remunerated in accordance with the relevant Remuneration Code. The Code governs the remuneration of employees of regulated firms and aims to ensure that firms establish, implement and maintain remuneration policies, procedures and practices that are consistent with and promote effective risk management. All Salaries and bonuses are agreed by the Group Remuneration Committee. Staff remuneration consists of fixed salary, an annual cash incentive, pension contributions and benefits in kind and, for some roles, a long-term performance related cash incentive that rolls over three year periods and is subject to malus clawback.

4.1.3 Product Governance policy which requires us to conduct an assessment of the conflicts of interest faced by EdenTree prior to manufacturing and distributing the product and thereafter on an ongoing basis. To continually assess our sales targets do not give rise to any conflicts of interest between sales team and the end investor.

4.1.4 Training

All relevant staff receive training on and have access to the procedures put in place to manage conflicts of interest.

4.1.5 Substantial Gifts and Entertainment

EdenTree operates a strict policy in relation to gifts and entertainment, which is aligned to group policy, subject to discretion as to the minimum value required for disclosure. Relevant persons at EdenTree are not permitted to accept any gifts over the value of £50 without prior approval from EdenTree Compliance. All entertainment and gifts given are recorded and subject to annual review by the EdenTree Head of Compliance and Senior Management.

4.1.6 Restrictions on personal account dealing

All personal account deals require pre-clearance from EdenTree Compliance or Group Compliance to ensure an employee does not benefit to the detriment of clients. The Clearance Officer will check the Insider Register/Stop List and the EdenTree trading blotter to see if there are any client orders pending and liaise with the Investment Team to ensure that Fund Managers are not planning to trade. All relevant employees are required to complete an annual declaration as to the completeness of their personal account dealing disclosures during the year. Strict procedures are in place for any dealings in the shares of the Benefact Group.

4.1.7 Disclosure of Conflicts of Interest

A conflicts register is maintained by the EdenTree Head of Compliance detailing the nature of the conflict and the action taken to mitigate any potential risk. This is reviewed on an annual basis to ensure new conflicts have been documented, existing conflicts are still relevant and mitigating controls remain effective. The Audit, Risk and Compliance Committee will review the register on an annual basis and recommend its approval to the Boards of both EAM and EIM.

Where the policies and arrangements above are not sufficient to prevent risk of damage to clients' interests then the nature and source of the conflict of interest will be disclosed to clients.

4.2.1 Conflicts Monitoring Systems

To identify and manage conflicts of interest all new clients are referred to the Head of Compliance who will identify any potential conflicts and discuss these prior to approval of the client. Where conflicts are identified a decision will be made and documented as to whether to proceed with the new business and if so what additional measures will be required. Such decisions will be based

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upon the nature of the conflict and the potential for the conflict of interest entailing a material risk of damage to the interest of one or more clients.

4.2.2 Fair Allocation of Orders

EdenTree has in place an order allocation policy. There is a fair and pre-determined allocation of orders between all clients prior to dealing. EdenTree does not trade on its own behalf and client orders are not aggregated with transactions for own account. Client orders will not be aggregated with another client order unless it is unlikely to work to the disadvantage of any client. Where orders are aggregated they must be allocated on a pro-rata basis

4.2.3 Timely Dealing of Orders

Dealing is undertaken in a timely way and without undue delay after the decision to deal has been made.

4.2.4 Non Satisfied Orders

Non satisfied orders or scaled back orders will be allocated between all participant clients on a pro rata basis except for uneconomic holdings where such allocation will be forfeited.

4.2.5 Own Account Dealing

EdenTree does not deal for its own account.

4.2.6 Underwriting and Placing

All underwriting and placing of issues and new issues will be pre-allocated amongst participating clients to ensure there is no preference or conflict of interest.

4.2.7 Misuse of information for personal gain / Inside Information

In accordance with the Market Abuse Regulations (MAR) the EdenTree Compliance Team maintain an Insider Register. Stocks on which EdenTree has become an 'Insider' are placed on the Stop List and cannot be traded until the inside information has been released to the market. MAR also requires firms to have systems & controls in place to identify any suspicious trading activity to the FCA. EdenTree has an automated system in place to monitor unusual price movements in stocks it has traded to ensure fund managers are not trading on the back of inside information. The Operations Team are responsible for investigation of exceptions and report their findings to the Compliance Team, who will decide whether any further action is required.

All relevant staff must adhere to the personal account dealing rules to prevent front running or personal gain through the use of privileged information.

4.2.8 Inappropriate use of dealing commission

MiFID firms are not permitted to pay for research out of broker commission, unless paid for via a Research Payment Account. EdenTree meets the costs of all external research out of its own profit and loss account and has negotiated execution only commission rates with its approved counterparties. Free research may only be accepted where it can be demonstrated it is of minor non-monetary benefit.

4.3.1

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Where EAM provides services to EIM (e.g. investment management), this is on a commercial arm's length basis under the terms of a formal Investment Management Agreement (IMA)

5. RECORDING CONFLICTS

The firm will keep a record of the kinds of services or activities in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen, or may arise. This record must be kept up to date and reviewed by the EdenTree Boards on an annual basis. All conflicts of interest or potential conflicts situations should be reported immediately to the EdenTree Head of Compliance who is responsible for maintaining the firms' Conflicts of Interest Register.

6. FREQUENCY OF POLICY REVIEW

This Policy must be reviewed at least annually by the Executive Committee and Head of Compliance taking into account any new or changes to legislation, or more frequently should a significant change in the business, market or regulatory environment occur. The Company's Audit, Risk & Compliance Committee will review this Policy on an annual basis and recommend its approval to the Boards of EAM and EIM.
