Turner Pope Investments (TPI) Limited

Conflicts of Interest

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Governance	
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Approved by	Ben Turner & James Pope
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Conflicts of Interest Policy

1. Introduction to Conflict of Interest

It is important to identify and manage conflicts of interest which arise or may arise in the course of providing a service. A conflict of interest may arise where a company or an employee who, owing a duty to a client, may have personal or professional interests which compete with this duty and may entail a risk of material damage to client's interests. A situation may be a conflict of interest even if no improper act or disadvantage to the client arises from it.

Turner Pope Investments (TPI) Limited ("TPI") is committed to identifying, monitoring and managing all actual and potential conflicts of interest that can arise between its clients and between the firm's clients and the firm.

The purpose of this Policy is to identify and summarise those conflicts which TPI may experience as an organisation and how it can address the challenges that such conflicts create. It also provides TPI's clients with appropriate information relating to the policies it has in place to identify and manage conflicts of interest.

2. Regulation

This Policy is designed to fulfil the firm's obligations under SYSC 10, COBS 12 and Principle for Business 8 of the FCA Handbook, the first two of which implemented the Markets in Financial Instruments Directive ("MiFID"). This policy ensures that procedures are in place to identify, monitor and handle all potential and actual conflicts so that these are not to the detriment of the client.

Conflicts of interest are defined in the context of FCA rules as any conflicts which arise between:

- TPI and a client; or
- A client and another client

The types of conflicts envisaged by the FCA may include situations where TPI:

- Stands to make a financial gain, or avoid a loss, at the expense of the client;
- Has an interest in the outcome of a service provided to the client, or a transaction carried out on their behalf, which is materially different from the interest of that client;
- Has financial or other incentive to favour the interests of another client or group of clients over that client;
- Carries on the same business as the client; or
- Is likely to receive from a person other than the client an inducement, whatever the form, relating to the service provided to the client other than standard fees or commission for that service.

MiFID II requirements

- **<u>SYSC 10 requires firms to have in place "appropriate" rather than "reasonable" steps to identify and manage conflicts – this increases the burden on firms in this area</u>**
- **MiFID II bans independent advisers and portfolio managers from receiving any (non-minor) monetary or non-monetary benefits from third parties when dealing with retail and professional clients.**

3. Identification of conflicts of interest

For the purposes of identifying the types of conflict of interest that may arise in the course of providing investment and ancillary services or a combination thereof and whose existence may damage the interests of a client, TPI takes into account any of the following situations, whether they are as a result of providing investment or ancillary services or investment activities or otherwise:

- TPI or relevant person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- TPI or relevant person has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of a client which is distinct from the client's interest in that outcome;
- TPI or relevant person has a financial or other incentive to favour the interest of another client or group of clients over the interest of the said client;
- TPI or relevant person carries on in same business as the client;
- TPI or relevant person receives or will receive from another person other than the client, an inducement in relation to a service provided to the client in the form of a financial gain, goods or services – other than the standard fee or commission for that service.

Material Conflict	**Nature of conflict and measures**
Personal Account Dealing (please see the separate Personal Account Dealing policy)	The risk arising is that staff who are party to privileged information concerning investments with which we deal may trade on information which is unknown to the client for personal gain. The firm has a restricted investor list to counter this, and a policy whereby staff members are only able to invest after the investment has been made available to the general public or, as part of an actual fundraising. In addition, all personal investments are subject to prior approval by Directors, the Compliance Officer or immediate deputy prior to their taking place.
Gifts (please see the separate Gift policy)	This covers the risk that any gifts or hospitality provided by a third party may materially influence a recommendation provided to the client. The firm maintains a Gifts and Hospitality register to record any gifts or hospitality received. Additionally, all gifts and hospitality with a value greater than £50 must be pre-approved by Compliance before accepting.
Inducements (please see the separate Inducement policy)	This covers the risk of material inducements being given or offered which may conflict with a duty of care owing to a client. Gifts and Inducements are addressed in the relevant policies and form part of the training and induction process for new starters joining TPI. The Inducements policy provides general guidance on inducement, specific rules on inducements, and includes a non-exhaustive list of what the FCA acknowledges to be acceptable inducements which TPI can accept. The Inducements policy also refers to examples of good and bad practice.
Remuneration (covered within the Gift policy)	This deals with the risk that remuneration policy may encourage staff to take account of their own earnings from a potential transaction rather than the best interests of the client. Most members of staff are salaried, however, the firm has in place a policy whereby all staff receive the same level of commission regardless of the project the client invests in. All staff are aware of their obligations to act in the client's best regardless of personal benefit.

Business Lines	This covers the risk that TPI acts as both corporate broker and investment adviser, which may give rise to a conflict of TPI having a financial interest or other interest to favour the outcome of one client over the other. The firm has implemented segregation of duties and supervision for persons engaged between the two business lines, for example restricting communications between research analysts, corporate broking and private client facing staff.
Fee Structures	The firm has set fee structures for corporate broking clients and private clients and fees are clearly provided to both clients before the commencement of the business relationship. Private clients partaking in Placings are made fully aware that TPI will be receiving payment from both sides.
Outside Business Interests	This is the risk that an employee or contractor of TPI has ownership of a company or is able to make influential decisions in another company and puts the interest of their other business before their obligations to TPI and/or its clients. All new starters are subject to directorship checks and any potential conflicts are discussed prior to formal onboarding. TPI has not, since its inception, encountered any relevant conflict issues in this regard. It is not envisaged that any such conflicts shall arise in the future given the nature of business conducted by the firm.

4. Managing and Recording Conflicts of Interest

TPI has internal policies and is also responsible for the identification and managing of potential conflicts of interest and will ensure compliance with such procedures. Such procedures and controls that TPI follows regarding conflicts of interest are as follows:

- effective procedures to prevent or control the exchange of information between the relevant persons where the exchange of such information may harm the interests of one or more clients;
- separate supervision of relevant persons whose principal functions involve carrying out such activities on behalf of, or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the firm;
- the removal of any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict may arise in relation to those activities;
- measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out investment or ancillary services and/or activities;
- measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest;
- segregation of duties that could give rise to conflicts if carried out by the same individual;
- to monitor and report on all compliance procedures above to the Board of Directors; and
- establishment of a “four-eyes principle” in relation to the supervision of the firm’s activities.

In accordance with SYSC, TPI annually carries out a review and maintains a record of the types of activity carried out from which a conflict of interest may arise.

If it appears for any reason that the conflict cannot be reasonably managed so as not to prejudice the best interests of the client, this will be disclosed.

To prevent conflicts of interest, TPI has the following policies in place:

- **Personal Account Dealing Policy** setting out personal account dealing requirements applicable to relevant persons in relation to their own investments and/or that any personal dealing must be approved by Directors, Compliance Officer, or deputy prior to taking place.
- **Privacy Policy** governing access to electronic data.
- **Chinese walls** restricting the flow of confidential & inside information within the firm and departments.
- **Gifts and Inducements Policies** managing the registration of the solicitation, offer or receipt of certain benefits and to limit the giving or receiving of inducements.

5. Record Keeping

TPI maintains a record of all activities where a conflict of interest has arisen or may arise.

6. Training and Review

All TPI employees are given training in how to be aware of conflicts of interest and how to report any new or future conflicts.

7. Failure to Comply

Failure to comply with this Policy and procedures outlined above may result in disciplinary procedures being invoked.

8. Amendments to the policy

This Policy is reviewed annually by TPI. Should any amendments be made which may materially affect the way in which the firm would handle a conflict of interest on behalf of a client, the client shall be notified in writing of the nature of the changes. The client will also be provided, on request, with an up-to-date copy of the conflicts of interest policy statement.

The responsibilities contained within this document are reviewed on an annual basis by the Compliance Officer and any changes made if appropriate.

Please see related policies listed below:

- Personal Account Dealing
- Gifts Policy
- Inducements Policy
- Remuneration Policy