

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

### **Conflicts of Interest Policy – February 2025**

#### **Introduction**

Under Principle 8 of the FCA Principles and SYSC 10, 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 is also 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.

**Policies and Procedures to Prevent Conflicts**

**A Trading and Investment Conflicts**

The Firm faces a variety of regular trading and investment conflicts similar to those faced by most firms in a similar business. To a large extent, these are managed by existing regulatory arrangements arising in the context of the Firm’s conduct of business. The most common conflicts and the associated controls are set out below.

Conflict	Potential Conflict	Procedure/policy
Allocation of transactions	Investment opportunities between clients; or between the Firm, it’s Staff and clients; may be allocated more preferably to one party,	All strategies are considered when making an investment decision. The Allocations policy ensures that <i>pro rata</i> allocation is applied as standard and any

	disadvantaging one or more of the Firm's clients.	exceptions from this are approved by compliance.
Cross Trades	Investment opportunities may be crossed between accounts, potentially disadvantaging one or more of the Firm's clients.	There is a warning on the trading system which requires the trader to put in a rationale for the proposed cross trade. This is reviewed and signed off on the trading system by compliance to ensure the trade benefits both parties.
Favouring counterparties	In the execution of transactions, the Firm may favour certain counterparties over others where such counterparties offer the Firm or its Staff other products, services, allocations, or other gifts, entertainment or benefits (whether in a professional or personal capacity).	Counterparty Selection policy, Gifts and entertainment policy and Quarterly broker review meetings.
Conflicting positions or trading strategies	Having a conflicting position in securities or adopting conflicting trading strategies for different clients such that dealing for one client may be potentially detrimental to the other.	All accounts within the same strategy are managed in line with each other. In instances where this occurs, it would be dealt with on a case-by-case basis.
Proxy Voting	Lack of consistency in voting proxies for clients, if the issuer soliciting the vote is a client of the Firm and the vote is on a matter that materially affects the issuer.	The Voting Policy has specific controls around conflicts.
Valuation Policy	Not implementing a valuation policy or deviating from the policy may impact on the fair valuation of financial instruments.	Northern Trust Investment Management Pricing Guidelines and the Fair Valuation Procedures.

## B Pricing and Valuation Conflicts

The Firm is remunerated according to its total funds under management. Potential conflicts therefore arise with respect to:

Conflict	Potential Conflict	Procedure/policy
Fair valuation of financial instruments	Seeking to overstate or otherwise have influence over the fair value of securities and other financial instruments and in particular those which may not have a quoted market price or which may otherwise be difficult to value accurately.	<p>The Firm invests only in securities listed on major global exchanges so this reduces the risk of not being able to value a stock accurately.</p> <p>The Firm relies on Northern Trust (“NT”) as Administrator and outsourced back office as an independent price source for standard valuation i.e. the Firm does not have any influence over the valuation of a financial instrument.</p> <p>In addition each institutional segregated client appoints an independent custodian, which further removes the Firm from potential involvement in pricing.</p> <p>Fair valuation procedures have been implemented to deal with valuation issues impacting either individual securities or markets.</p>
Pricing and valuation errors	Not taking sufficient action to rectify pricing and other valuation anomalies where doing so would have a negative impact on the price and value of such securities.	<p>NT would identify any errors for the Firm and would recommend appropriate action.</p> <p>NT Pricing Guidelines.</p>

**C Information Distribution and Disclosure Conflicts**

The Firm may disclose different levels of information to clients or investors in its funds; or may hold information that is not permitted to be used for other clients. Potential conflicts therefore arise with respect to, *inter alia*, those issues listed below:

Conflict	Potential conflict	Procedure/policy
Side letters and preferential terms	Certain investors may request preferential treatment or provision of information compared to other investors in the same funds, which may give rise to a conflict of interest between the interests of investors to whom preferential rights have been granted, and the interests of investors to whom preferential rights have not been granted.	The Firm's does not accept any side letters that give preferential treatment.
Disclosure of information about Mutual Funds where the Firm acts as investment adviser.	Certain investors may request preferential treatment or provision of information compared to other investors in the same funds.	Portfolio holdings disclosure policy.
Confidential Information Insiders	Disclosure of any information acquired during the course of employment, any and all of which is considered confidential.	Compliance Manual and Staff Handbook. Market Abuse Policy.

## D Staff Conflicts

The Firm is dedicated to employing experienced and professional staff. However, the actions of a staff member may be influenced by, or create an influence over, the activities of the Firm. Potential conflicts therefore arise with respect to, *inter alia*, those issues set out below.

Conflict	Potential Conflict	Procedures/policy
Personal account trading	Staff or their family members may trade on their personal account in an inappropriate manner, including to the detriment of clients.	Personal Account Dealing Policy
Inducements and entertainment	Staff may be influenced in making investment or trading decisions, or outsourcing selections, when entertainment or other forms of inducement are provided.	Gifts and Entertainment policy (in the Compliance Manual and the Code of Ethics)
Firm member discretionary managed accounts / Mutual Fund holdings by Firm Staff or their family or associated persons.	Staff or their family members may have discretionary managed accounts or investment in the Firm's mutual funds either directly or via pension/deferred compensation arrangements and are charged reduced fees in relation to these accounts. These holdings may cause the Firm to favour these certain accounts over other clients.	Allocations policy ensures that whenever possible <i>pro rata</i> allocation is applied. All accounts within the same strategy are managed in line with each other.
Influence over other staff	Responsibilities are not apportioned effectively or Staff inadequately supervised to avoid collusion or undue influence over others.	Responsibilities are clearly reflected in the Firm's management structure.
Influence of outside business interests or activities	Staff who have outside commitments (i.e. directorships, business interests) may be influenced to act in a manner	Any individuals with outside business interests are required to declare these at the time of joining. The policy is summarised in the Compliance

	<p>that conflicts with the interests of the Firm or its clients.</p>	<p>manual. Thereafter, annual declarations are required and any proposed outside interest during that year requires partner approval, before undertaking any activity.</p>
<p>Fund Investors who supply services to the Firm</p>	<p>Certain fund investors may provide or be employed by companies who supply services to the Firm (“associated fund investors”) and may be treated as “friends and family” and so be given access to the standard friends and family fee arrangements.</p> <p>This gives rise to potential conflicts as the associated fund investor may be induced by the investment and/or the friends and family fee arrangements to provide inside information or preferential treatment to the Firm.</p>	<p>Arm’s length contracts are put in place with any associated fund investors. Market Abuse Policy. Conflicts check on associated fund investors.</p>