

## **Conflicts of Interest Policy**

Edinburgh Partners Ltd (“EPL”) is an independent investment management firm. It is 75% owned by its employees, the remainder being held by 2 external investors. It has no subsidiaries and concentrates solely on institutional investment management. It has no other businesses. EPL does not hold any client money or assets.

EPL does not trade as principal. All trades for clients are on market. EPL carries out research, but this is solely for the benefit of clients and is not published or distributed in any way (other than to existing clients). Historical research may be distributed to potential clients by way of example only. As well as internal research, EPL receives research from brokers which is paid for as part of the normal commission arising from trades. No additional fee is paid for such research. Research obtained from brokers is used to benefit all clients of EPL. No other items or services are paid for out of the commission paid to brokers. These arrangements fall within S 28 (e) of the Securities and Exchange Act.

EPL has considered where potential conflicts of interest could arise in relation to its business and the main areas identified are as follows:

1. Individuals being in possession of inside knowledge. Inside information is most likely to arise with regard to companies in which EPL may be researching as potential investments or in which it may be investing for clients.
2. Individual employees within Edinburgh Partners may hold positions in shares which are also held by clients. This could lead to employees “front running” client orders i.e. dealing personally ahead of orders being placed for clients and as such benefiting from any price rise which may result.
3. Performance related fees. Performance related fees which may cause fund managers to increase turnover within a portfolio in order to generate higher fees.
4. EPL undertaking similar regulated activities for other clients. This may lead to favouring one client over another.
5. EPL arranging for its clients transactions in securities of connected investment trusts or units of any collective investment scheme of which it is the manager, operator or adviser.
6. Inducements being offered by brokers or companies which may unduly influence investment managers within EPL.
7. EPL paying for goods or services from brokers which are outwith regulatory constraints and which are not of benefit to all clients.

In order to ensure that these conflicts are managed in an appropriate way Edinburgh Partners maintains strict procedures in relation to personal dealing, inducements and the manner in which dealing occurs on behalf of client accounts. EPL’s procedures in relation to personal dealing mean that permission has to be sought for any deal prior to

dealing and permission is only granted for a limited time span. No dealing is permitted either when EPL is in possession of inside information or when a deal is about to be placed for clients in either a purchase or sale capacity.

With the exception of very minor amounts, no entertainment or gifts may be accepted from companies or brokers without permission. All relevant items of gifts or hospitality are required to be recorded in a central log. Any item below £50 in value may be accepted and is not required to be recorded or authorised. Items between £50-£100 in value do not require authorisation but must be recorded. Items valued at over £100 in value must be authorised and recorded prior to acceptance. In any event, it is not permissible for individuals to accept gifts or entertainment from counterparties with whom we do not do business. In addition, where entertainment is offered it is not permissible to accept either travel or accommodation costs from the host. The log for gifts and entertainments is monitored regularly by the Compliance Department to ensure that items are neither excessive nor too frequent.

The Performance Department of EPL monitors turnover within each of the portfolios. The Compliance Department undertakes sample reviews of turnover as part of the compliance monitoring programme. EPL takes a long term view on investment, which means that turnover is generally expected to be in the region of 30%. This enables excessive turnover to be relatively easily identified and an explanation sought.

EPL also has in place strict procedures for dealing with clients which are designed to ensure that each client is dealt with fairly. The Compliance Department within EPL monitors deals on behalf of clients to try to ensure that they are undertaken in line with in house procedures and in accordance with regulatory requirements.

In the event that a conflict arises which is not within the items set out above, it is EPL's policy to advise the relevant clients prior to the event and to seek their consent to the relevant action where possible. Where this is not possible, then affected clients would be notified directly after the event.

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