

Conflicts of Interest

EP has a duty to take all appropriate steps to identify and to prevent or manage conflicts of interest which can arise between a firm, its employees and its clients as well as those conflicts which exist between different clients of a firm.

This Policy is designed to meet EP's regulatory requirements in relation to the identification, prevention and management of conflicts of interest and to ensure EP always act in the best interests of its clients.

The FCA sets out in SYSC 10 areas where conflicts may arise. Where a firm or any employee:

- Is likely to make a financial gain, or avoid a loss, at the expense of the client;
- Has an interest in the outcome of a service or transaction conducted on behalf of a client which is distinct from the client's interest;
- Has an incentive to favour one client over another;
- Carries on the same business as a client; or
- Receives an inducement from a person other than the client and
- Including those conflicts caused by the firm's own remuneration and incentive structures.

Similarly, Section 206 of the Advisers Act imposes a fiduciary duty on Investment Advisers. The purpose of this duty is to eliminate conflicts of interest and prevent an adviser from overreaching or taking unfair advantage of a client's trust.

Responsibility

All members of staff are responsible for considering the business activities within their area and the possibility for conflicts to arise. Where a possible conflict of interest arises, staff should report this immediately to the Regulatory and Operational Risk team who will consider what action (if any) requires to be taken. Depending on the situation this could require the disclosure of the conflict to clients, refraining from taking a course of action or documenting the potential conflict in the firm's conflicts matrix.

Outside Business Interests/Activities

All members of staff must receive prior written permission from the relevant EP company Board before engaging in an outside business interest/activity during their employment with EP. This is detailed in each individual's contract. An outside business interest/activity includes:

- Directorships;
- Being employed by, or acting as a consultant for, another person or entity;
- Receiving compensation from another person or entity for business activities including, for example, a family business;
- Receiving fees for an external work product, such as an article or speech; and
- Holding elected or appointed political or governmental position.

Outside interests/activities must not interfere with your EP role and you must not use any of EP's property (including communications via email or the internet) for purposes of any other company or business (whether or not a competitor).

Outside interests/activities that in the judgement of EP may pose a conflict with its business interests will generally not be approved. If approval is received from the relevant EPBoard in relation to any outside business interests, the Regulatory and Operational Risk team will log this on the External Interests register.

You must seek new clearance for a previously approved interest/activity whenever there is any material change in relevant circumstances, whether arising from a change in your job within EP or in your role with respect to that interest/activity. You must also notify the Head of Regulatory and Operational Risk when any approved outside interest/activity terminates.

In addition, publications and speaking engagements relating to the business of EP must be pre-cleared by the Regulatory and Operational Risk team. Examples of this include delivering a speech to external parties about role at Edinburgh Partners or what Edinburgh Partners do (external parties include business forums and educational establishments).

All members of staff are required to attest on an annual basis that they have disclosed any outside business interest/activity and that any subsequent changes have also been advised to Regulatory and Operational Risk team.

Disclosure of the interest/activity may be required to Committees/Boards of EP and/or to clients.

Conflicts Matrix

EP's primary objective is to identify and prevent conflicts before they are realised within the organisation. In order to support this it has identified a number of possible areas for conflicts to arise. These are documented in the Group's conflicts matrix (see Schedule 2) and reviewed annually by the Operational Management Committee. In addition, the Regulatory and Operational Risk team conducts monitoring activity over a number of potential conflicts and their controls.

Conflicts Control Framework

Conflicts of interest have the potential to arise across EP's activities. The Group has a series of policies and procedures designed to identify, prevent and manage conflicts of interest. The policies and procedures in place include:

- Insider Dealing and Market Abuse

EP has an Insider Dealing and Market Abuse policy. It is also included in Regulatory and Operational Risk training for new staff and is further enforced via EP's Personal Account Dealing policy and the use of a restricted list.

- Personal Account Dealing

EP has a Personal Account Dealing policy, and these rules are signed off as understood by all staff on an annual basis. Permission has to be sought for any deal prior to dealing and permission is only granted for a limited time period. EP maintains a list of restricted stocks, at no time may any employee place a personal trade any stock from this restricted list.

- Inducements

EP has an Inducements policy. All permissible gifts, entertainment and minor non-monetary benefits provided or received by EP staff are subject to the Inducements policy. With the exception of very minor items, no entertainment or gifts may be accepted or provided without permission. All relevant items of gifts or hospitality are required to be recorded in a central log.

- Anti-Bribery

EP has a zero tolerance policy towards bribery and has a commitment to provide business in a fair, open and honest manner. An Anti-bribery policy is in place which prohibits all staff from offering, promising, giving, requesting or accepting a bribe.

- Broker Research

EP carries out internal research and supplements this through the use of research produced by third parties. EP has a separate Research policy which sets out how the firm uses and pays for research either through a client funded research payment account and through its own resources.,

- Aggregation and allocation of client orders

In order to ensure as fair treatment as possible for clients, EP's Execution policy ensures that a strict order priority system is utilised. No portfolio manager may place an order for a stock which is already being worked until the first order is completed unless there are exceptional circumstances which are closely defined. The allocation of a deal is undertaken on a pro rata basis with the only exceptions being for de minimis orders for clients. In these circumstances the random allocation facility within the front office system is utilised.

- Confidentiality

EP has in place processes and procedures to ensure that any information disclosed to it are kept both confidential and secure.

-Political Contributions (US only)

EP has a Political Contributions policy. Staff are permitted to make contributions up to \$350 to an official for whom they can vote or up to \$150 for any other official.