

# Summary of Conflicts Management Arrangements

GHC Capital Markets Limited (GHC) is required by the Markets in Financial Instruments Directive (MiFID) and its successor regulation MiFID II that have been adopted into UK legislation, to provide you with a summary of our arrangements to manage our Conflicts of Interest, should they arise.

GHC undertakes a number of business activities which includes managing and dealing in investments for Retail Customers, corporate finance, broking, and research. On occasion for applicable trades (for example ETFs and transferable securities) GHC may use itself as a stockbroker (when trading for the LF Resilient MM Balanced Managed Fund) to achieve best execution. Such trading will incur an (albeit) small charge, however GHC may on such occasion achieve better than best price.

A number of potential conflicts of interest could arise within and between these various activities.

We are therefore required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest from adversely affecting the interests of our clients.

Conflicts of interest are defined as those between the firm (its managers, employees and Appointed Representatives) and a client of the firm, or between one client of the firm and another client.

## Identification of Conflicts

When identifying potential conflicts of interest, GHC will take into account whether the firm or an 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 provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome.
- Has a financial or other incentive to favour the interests of another client or group of clients over the interests of the client.
- Carries on the same business as the client.
- 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 monies, goods or services, other than the standard commission or fee for that service.

## Management of Conflicts

GHC maintains a number of policies and procedures, which includes a documented policy of independence, which applies whenever its employees provide advice to any of our customers or recommends a transaction. This requires employees to disregard any interest in the transaction that they or GHC may have, in order to ensure that our clients are given suitable advice. We also maintain physical separation between various group companies.

Where it is not practical to effectively manage such conflicts we ensure that they are properly disclosed to customers, and we will decline to act for customers should it be necessary.

## Chinese Walls

These are the arrangements we have in place to restrict access to information held in one part of the business from employees in other departments. Our Chinese Wall Procedures sets out in detail the restrictions that are in place to restrict, control and manage the flow of information between group connected companies.

This includes physical restriction on the staff allowed access to certain parts of the organisation, and includes restrictions on access to the data held within various group companies, divisions or departments. The procedures dictate that those staff who are required to be involved in any transaction will be privy to information or 'brought over the Chinese Wall'. All staff are prohibited from disclosing information except as detailed in the procedures.

## General Issues

GHC will never act on its own account

## Personal Account Dealing

Personal Account Dealing by GHC personnel must be in strict compliance with our policies and procedures to ensure adherence with all relevant regulation and legislation, both for the benefit of clients and the

protection of employees. The procedures are to ensure that employees' interests do not conflict with those of our clients and adherence with these is strictly monitored.

## Remuneration Policy

GHC's remuneration policies are designed to reflect employees experience and performance, balanced with the requirement to ensure that their remuneration does not conflict with their obligations to our clients. Where employees' remuneration reflects an element of commission received for transactions undertaken for clients, procedures are in place to monitor the suitability of their recommendations.

## Inducements/Gifts

The giving or receiving of gifts or other inducements may compromise or conflict with the recipient's obligations to his clients. Therefore employees are required to comply with our strict policy regarding the reporting and approval of all gifts and hospitality.

## Outside Interests

Employees are required to notify the company of any outside interest. Any disclosed outside interests will be reviewed by the Head of Compliance and if necessary reported to the CEO who will consider the potential for conflicts of interest before permitting the continuance of any such outside interest.

## Treating Customers Fairly (TCF)

GHC has embedded a culture of TCF within the firm and will have its customers' interests as its primary concern at all times.

## Review

All policies and procedures for identification and management of conflicts of interest are, as a minimum, subject to annual review and any significant issues will be reported to the Compliance Committee and to the Board as necessary.