Conflicts of Interest Policy

Updated December 2020

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1. Introduction

This Conflicts of Interest Policy (the 'Policy') applies to GPIM Limited. GPIM is authorised and regulated in the UK by the Financial Conduct Authority. GPIM is involved in providing investment management services.

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.

GPIM ("the firm") is committed to taking appropriate steps to identify, monitor and manage all actual and potential conflicts of interest that can arise between the firm's clients and between the firm's clients and the firm. The firm and its staff conduct business according to the principle that it will prevent or manage conflicts fairly, both between itself and its clients and between one client and another.

The purpose of this Policy is to identify and summarise those conflicts which the firm may experience as an organisation and how it can address the challenges that such conflicts create. It also provides the firm's clients with appropriate information relating to the policies the firm 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 and Principle for Business 8 of the FCA Handbook. This policy should ensure 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.

3. Identifying conflicts

In acting as investment manager on behalf of its clients, GPIM also has certain duties which include the duty to act in the client's best interests and to identify and deal with possible conflicts of interest.

Conflicts of interest may arise if the firm or an employee:

- is likely to make a financial gain, or avoid a loss, at the expense of the client or group of clients;
- has an interest in the outcome of a service (not necessarily financial) provided to a client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- has an incentive to favour the interest of one client over another;
- Carries on the same business as the client; or
- receives an inducement in relation to its services provided to clients.

GPIM expects its employees to recognize and escalate to the Compliance Department any actual or potential conflict of interest that they come across. Equally, employees must not put themselves in a position in which their personal interests, financial or otherwise, might influence or give the appearance of influencing any action taken, judgement made, or investment management service provided on behalf of the firm.

GPIM has in place various policies and procedures designed to prevent or manage conflicts of interest, many of which are described in this policy. Such policies and procedures, together with training and internal guidance given by the Compliance Department, are used to help employees identify circumstances which may give rise to potential conflicts of interest and provide them with the necessary tools to prevent or manage any such conflicts. In addition, all employees are made aware of GPIM's conflicts of interest procedures upon joining the firm (including a documented whistleblowing policy) and are requested to confirm compliance with them on an annual basis.

4. Types of conflict

GPIM's Board has considered the firm's services and activities and has decided that the following circumstances are examples of the types of situation that may give rise to conflicts of interest at the firm.

- Acting for more than one client

There may be a conflict when the firm is acting on behalf of two or more clients in the same or similar transaction and receiving fees or charges from those clients for that transaction.

- Firm/employee interest in investments

There may also be a conflict when the firm is acting for clients in relation to investments where the firm/employee also has an interest in the same investments. For example, a conflict of interest may arise if the firm carries out transactions (including voting/corporate actions) with the knowledge of the client's actual or potential transactions in that investment.

- External relationships

There may be a conflict if the firm/employee has any business relationships with, or interests in, any issuer of any investments bought or sold for clients.

There may also be a conflict if we allow inappropriate business relationships or charging structures with intermediaries who refer clients to the firm to be put in place.

- Remuneration

A conflict may arise if the firm arranges its pay structures so that there is a direct link between the pay of one member of staff mainly involved in one activity and the remuneration of other staff mainly involved in other activities.

- Inducements

There may be a conflict if the firm fails to put into place sufficient controls to manage offering or receiving gifts, hospitality, entertainment and other inducements including research and third party introducers.

- Oversight

A conflict may arise whereby senior management roles or functions are not segregated appropriately so that they are not subjected to independent challenge and review.
- Other

GPIM does not currently carry out proprietary trading or corporate finance business. The above list may change if the firm considers additional risks occurring.

5. Managing Conflicts of Interest

GPIM's first priority is to identify potential conflicts of interest inherent in its business model and wherever possible, prevent them, or put in place appropriate steps to mitigate them. In the event that a conflict of interest cannot be prevented, it will be managed. As stated above, GPIM has established a number of internal policies and procedures to prevent or manage conflicts of interest. These policies and procedures are the subject of ongoing monitoring and review processes and include but are not limited to:

- Independence and oversight

It is the policy of GPIM, that where it and/or its employees are acting with discretion on a clients account or executing client transactions then that it or they must disregard any material interest which they may have. The firm's governance structure is detailed in full in the Compliance Manual and the ICAAP document which is reviewed by the Board annually. The structure is designed to make sure that clear and reporting lines are in place, Compliance function is independent and sufficient independent challenge is available in decision making committees so that no one individual is able to unduly influence the affairs of the firm.

All employees act independently of any interest that may conflict with the duties owed to different clients or between the firm and its clients. This means that all employees must disregard any of the following interests and must not allow the existence of such interests to influence them when dealing with clients or potential clients:

- Any personal interests which they, or members of their family or any of the connected persons may have;

- Any existing, proposed or prospective business relationship between GPIM and any other third party; or

- Any agreement or transaction which has been, will or may, entered into by GPIM.

The above examples are not exhaustive and GPIM and its employees are required at all times to consider the need to act independently of any conflict.

- Information barriers

The firm seeks to prevent or control (where relevant) the exchange of information between people involved in activities where sharing that information may harm the interests of one or more clients. Information barriers are a system (which includes rules, procedures and segregation) designed to ensure that certain information acquired by employees is not shared with other employees or clients.

Compliance independently keep an ‘insider list’ which records those members of staff who are aware of inside information relating to investments. Compliance monitors the list against potential conflicts, such as personal account dealing and dealing for clients whilst in possession of inside information.

- Client categorisation

A potential conflict exists in that it may be to the benefit of the firm to categorise clients as professional rather than retail, thereby reducing the level of investor protection available.

GPIM’s business model and investment strategy is aimed at retail clients. The firm’s approach is to treat all clients as retail by default. Relevant procedures are in place to ensure that clients are only categorized as professional when this is fully justified in all the circumstances permitted by the rules.

- Remuneration

GPIM employees receive a fixed salary with discretionary bonus and the firm undertakes to reward employees on the basis of merit as opposed to length of service, relationship with other members of staff or other inequitable measures. Salaries are set at such a level that employees are not dependent upon the receipt of bonuses. Staff are not permitted to receive any payments from clients directly.

- Personal account dealing

The firm has written policies and procedures that give specific guidance on personal account dealing. All personal securities transactions carried out by employees and their connected persons (i.e. spouse, children under 18 etc.) on their own accord must be pre-approved where required by internal policies and procedures. The transactions must be in compliance with minimum holding periods and regard any conflicts of interest. All employees are required to declare any relevant accounts upon joining the firm and on an annual basis.

- External business interests

GPIM requires that employees do not engage in any practice or pursue private interests that may conflict with the interests of GPIM or its clients. GPIM employees are required to disclose their outside interests to the Compliance Department upon joining the firm who will determine whether there is a conflict of interest. An outside business interest may include (but is not limited to) any:

Material beneficial holding (in a personal capacity or through a connected person) in any entity that competes or is deemed to compete with the business interests of GPIM and/or its client(s); or
Appointment as a Director (executive or non-executive) or trustee of any entity connected to or competing with GPIM and/or its client(s).

Employees must notify the Compliance Department immediately if they have or obtain any material holding which might give rise to a potential conflict of interest. All employees are required to confirm any such interests on an annual basis.

- Inducements

Staff are prohibited from offering or receiving any gift, entertainment, hospitality or other inducement which could conflict with the duties they owe to clients or which could affect the independence of the person receiving the inducement. Depending on certain thresholds, the firm's policies and procedures on bribery and corruption, gifts and entertainment state that all employees must disclose to the Compliance Department prior to offering or receiving inducements. Staff must consider the following matters in such circumstances:

- Is there a material conflict or a perceived material conflict?
- Will offering or receiving the proposed gift/entertainment impair the firm's duty to act in the best interests of the client?
- Might the proposed gift or entertainment be seen as a bribe?

In the case of any doubt, employees are required to seek the advice of the Compliance Department before offering or accepting the relevant gift/entertainment. The Compliance Department keeps a register of all gifts given or received by employees.

- Third party introducers

The firm may pay third party regulated firms if they introduce clients to GPIM whereby the introducer does not operate the same business model as GPIM. GPIM is entirely independent and has no links to third party introducers. GPIM is required to disclose any third party introducer arrangements to clients prior to the provision of any services and on an ongoing basis. A written agreement is put into place between GPIM and the introducer with the client receiving a copy and counter signing it.

- Aggregation and allocation of securities

Client orders must be dealt with sequentially and in accordance with the timing of the reception by the firm. They must be accurately recorded and allocated. Employees must not misuse information relating to client orders.

GPIM places orders via Third Financial for execution or third party brokers using the 'Retail Service Provider' function. Policies and procedures are in place to review trading execution performance.

- Research and corporate access

GPIM does not produce investment research. The firm may opt to obtain research from third party providers if GPIM's Investment Committee determines a commercial requirement for its discretionary service. Where applicable, GPIM pays for any research directly and does not pass this cost as a separate charge onto clients.

The firm may consider direct access to issuers via a broker, but it will pay for such a service out of the firm's funds. This cost is not borne by clients.

6. The role of Compliance

Compliance plays an important role in identifying, assessing and monitoring actual or potential conflicts of interest. Compliance are responsible for:

- Helping senior management in adjudicating conflicts issues;
- Maintaining the Conflicts of Interest Policy, map and register which records the kinds of service or activity carried out by the firm in which a conflict involving significant risk of damage to the interests of clients has arisen or may arise;
- Liaise with the HR resource making sure that all staff are appropriately trained in their responsibilities relating to conflicts.
- Reviewing conflicts issues and reporting them to the Compliance Committee and the Board where appropriate; and
- Overseeing the development and periodic review of products and services in relation to conflicts of interest.

7. Disclosure of conflicts

If after discussing the issue with the Compliance Department, the measures described in this policy are not enough to make sure, with reasonable certainty, that GPIM will prevent the risk of damage to the interests of one or more clients, GPIM will explain the nature and source of those conflicts to the client/s in question. The firm must give this explanation to the client before any business relating to the identified conflict is carried out with, or for, the relevant client. The firm must also get the client's written permission to go ahead before doing so.

The firm will assess if arrangements made are not sufficient to ensure, with reasonable confidence, that risks of material damage to the interests of a client will be prevented. If this is the case then the firm must clearly disclose the following to the client before undertaking the business;

- The general nature or sources of conflicts of interest, or both and
- The steps taken to mitigate those risks.

The use of disclosure of conflicts of interest does not exempt GPIM from its obligation to maintain and operate effective organizational and administrative arrangements as described within this policy. The use of disclosure without adequate consideration as to how conflicts of interest could be prevented or managed in the client's best interest is not permitted.

8. Refusal to act

Notwithstanding any disclosure, if the firm believes that there is no practical way of preventing damage to the interests of one or more clients, the firm can refuse to act for those clients.

9. Amendments to the policy

The firm reviews this Policy on an annual basis or when circumstances warrant it. Any questions about this policy should be directed at GPIM's Head of Compliance via:

The Head of Compliance
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