ARGO CAPITAL MANAGEMENT

ARGO CAPITAL MANAGEMENT LIMITED ("ARGO")

CONFLICTS OF INTEREST POLICY DOCUMENT

Overview

It is important to identify and effectively manage conflicts of interest which arise or may arise while providing a service and carrying out regulated activities, as their existence may lead to material risk of damage to a client's interests. This document sets out Argo's policy for the management of such conflicts of interest. The Financial Conduct Authority ("FCA") sets out obligations in SYSC 10, COBS 12 and Principle 8 to which this document is prepared.

This document does not intend to create third party rights or duties or form part of any contractual agreement between the firm and any client. This policy may be amended and updated at any time if any material change occurs and will be reviewed on at least an annual basis.

Whilst the FCA rules are important to be adhered to by all of Argo's employees, they are non-exhaustive, and certain other additional rules may apply to readers who are members of professional associations, or by virtue of their job role. Failure to follow any of the rules whether by express breach, or failure to follow any of the spirit of identifying, mitigating and managing conflicts of interest may also be a breach of an employment contract. Disciplinary action may be taken by Argo, or in serious cases by the FCA, or the Department for Business, Innovation and Skills. If at any time you are in doubt as to how to act in a given situation where you are faced with an actual or potential conflict of interest you should contact the Compliance Officer.

1. Background

Argo is authorized and regulated by the FCA to conduct investment management activities. The firm provides process driven investment management services which are targeted primarily at professional investors and advisors. These services could potentially give rise to conflicts of interest entailing a material risk of damage to the interests of one or more clients. This document aims to set out these potential conflicts and the procedures that are in place to be followed and measures to be adopted in order to manage such conflicts. Conflicts of interest may occur between a customer and Argo, including its managers, employees or any persons directly or indirectly linked to the firm, or between two or more clients. Treating Customers Fairly is central to the core values of Argo. There is an embedded culture that understands what is acceptable and unacceptable behaviour. As such, conflicts of interest and the identification / management / mitigation thereof are central to this philosophy and culture. All employees must act with the highest standards of integrity to avoid any allegations of conflicts of interest.

2. Conflicts of Interest

2.1 Definition

An actual or potential conflict may arise when, in the exercise of its activities and services, the interests of:

(i) Argo (including its managers, employees and appointed representatives or any person directly or indirectly linked to them by the control) or

(ii) its associates and the interest of its clients, are directly or indirectly in competition, and which could significantly prejudice the client's interests.

2.2 Identifying situations where a conflict may arise

The circumstances giving rise to conflicts of interest include all cases where there is a conflict between the:

(i) interests of Argo, certain persons directly or indirectly connected to Argo; and the duty that Argo owes to a client;

(ii) differing interests of two or more clients, as Argo owes a separate duty to each of them.

Conflicts of interests could prejudice a client in various ways, whether or not Argo suffers any financial loss and independently of whether the actions or the motivations of the employees involved are intentional. For the purposes of identifying the types of conflicts of interest that arise, or may arise, Argo must take into account, as a minimum whether the firm, a relevant person (e.g. a director, employee or an appointed representative or a director or employee of an appointed representative or a person who is directly involved in the provision of services to the firm or its appointed representative under an outsourcing agreements) or a person directly or indirectly linked by control to the firm:

• is likely to make a financial gain, or avoid a financial loss, at the expense of the client;

• has an interest in the outcome of the service to, or a transaction carried out for, a client which differs from the client's interest;

• has a financial or other incentive to favour one client (or group of clients) over the interests of another;

• carries on the same or similar business as the client; and/or

• receives an inducement from a third party in the execution of the service provided to the client, other than the standard commission/fee for that service.

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Argo has identified the following general types of potential conflicts of interest. Conflicts of interest may arise because:

1. the firm or an associate undertakes designated investment business for other clients including its associates (and the clients of its associates);

2. a director or employee of the firm, or of an associate, is a director of, holds or deals in securities of, or is otherwise interested in any company whose securities are held or dealt in on behalf of a client;

3. a transaction is effected in units or shares of a fund or company of which the firm or an associate is the manager, operator or adviser;

4. a transaction is effected in securities in respect of which the firm or an associate, or a director or employee of the firm or an associate, is contemporaneously trading or has traded on its/their own account or has either a long or short position;

5. the firm may, when acting as agent for a client, match an order of the client with an order of another client for whom it is acting as agent.

6. a director or employee of the firm taking personal advantage of information gained, using company assets for personal benefit or profiting from business opportunities identified through a position held at the firm.

7.an employee of the firm valuing assets in a fund for personal gain. Directors or employees of the firm are required to notify the chairman at the beginning of any committee/Board meeting of the existence of any conflict of interest and these will be minuted accordingly.

2.3 Prevention and management

Argo has identified specific potential conflicts of interests which may arise in relation to its activities. The general nature and/or source of these conflicts will be disclosed to clients before undertaking business in sufficient detail to enable the client to make an informed decision about the service in the context in which the conflict has arisen. For each potential situation, Argo has analysed whether or not the risk is actual or potential for one or more of its clients.

It is not always possible to prevent actual conflicts of interest from arising. In that case Argo will try to manage the conflicts of interests by:

(i) disclosure to the client;

(ii) establishing an information barrier (Chinese wall); or

(iii) declining to provide the service.

Disclosure to the client

Argo will clearly disclose the general nature and source of the conflict of interest to the client before undertaking business for the client. The disclosure will be made in writing and include sufficient detail to enable the client to take an informed decision about the service in the context of which the conflict of interest has arisen.

Chinese walls

When Argo establishes and maintains a Chinese wall, it is creating an information barrier. Essentially this requires information held by one part of the business to be withheld from, or not used by, persons in another part of the business. The use of a Chinese wall will be established and enforced by the Risk & Compliance departments. It will include the segregation of data and computer systems, as well as physical segregation of employees so that they are unable to access the same part of the office.

Declining to provide the service

It may not be possible to avoid or manage a conflict of interest. In that case, Argo may have no choice but to decline to provide the service requested.

2.4 Inducements including Gifts and Hospitality

Argo maintains business relationships with third parties who may remunerate Argo in the form of management and performance fees which can constitute monetary or non-monetary benefits thereby impairing Argo’s fiduciary duties to the client. The FCA Rules classify these as inducements. Further details are included in the Compliance Manual. Gifts and hospitality could lead to potential conflicts of interest. No employee may accept from, or give to, any person any gift or other benefit that cannot properly be regarded as justifiable in all circumstances. Policies and procedures have been implemented to ensure that employees and their connected persons do not offer or accept gifts or inducements which may give the perception that decisions or actions are not impartial.

Employees are required to record details of any entertainment or corporate hospitality received and seek sign-off from senior management, which would include prior approval above certain monetary values. The Compliance team undertakes regular reviews of such matters, including an assessment of all entertainment or corporate hospitality received by all dealing and fund management personnel.

2.5 Anti-Bribery

Argo prohibits the offering, the giving or acceptance of any bribe intended to induce an ‘improper performance’ of a relevant function or activity. This applies to any employee, or associated person, whether they are situated in this jurisdiction or extra territorially. Argo’s Anti-Bribery Policy supplements the gifts, benefits and other inducements procedures and demonstrates its commitment to preventing bribery.

2.6 Personal Account Dealing

A conflict of Interest could occur if an employee were to invest or undertake transactions in a security which is held within the portfolios that we manage on behalf of our clients or a potential conflict may arise where an employee deals in a security ahead of clients. Any potential conflict is managed via detailed personal account dealing requirements as set out in the Compliance Manual. These requirements include all relevant transactions being scrutinised and authorised prior to any dealing taking place, by senior executives of the firm. In addition, we have tight controls around the use of inside information and make use of ‘Stop Lists’ to prohibit dealing in affected securities.

2.7 Outside Business Interest

No employee may engage in any additional occupation without the consent of the Company. In certain circumstances, consent may be withheld. In line with our procedures as set out in the Compliance Manual, employees must not accept personal fiduciary appointments (such as trusteeships or executorships other than those resulting from family relationships) without first obtaining written approval from the Compliance Department.

2.8 Fair Treatment of Client Orders and Allocation of Trades

Argo uses a pre-trade allocation process to ensure fair allocation of trades. The transactions are documented within the dealing worksheet, which are reviewed by Compliance as part of the Compliance Monitoring Programme. Argo does not engage in any soft commission arrangements and any brokerage commission arrangements are fully disclosed.

2.9 Dealing in own Funds

Argo may, through its provision of investment management activities provide discretionary management services to its clients and may invest directly into other funds managed by itself or an affiliate. Any such investments would be in accordance with the relevant fund documentation. Argo may from time to time seed new fund or class launches. In addition, Argo receives the same standard terms as all other investors in the fund (redemption notice etc).

2.10 Record Keeping

Under SYSC 10.1.6 Argo must keep and regularly update a written record of the kinds of investment or ancillary services or activities carried out by or on behalf of the firm in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise. These records will be for a minimum of six years from the date of creation and are maintained on an ongoing basis by the Compliance Officer.

2.11 Segregation of Duties

There are several distinct tasks within the discretionary investment management business that could lead to potential conflicts of interest that are mitigated by them being segregated from the individuals directly involved in the task.

2.12 Remuneration and oversight

The management oversight and determination of appropriate remuneration of employees is conducted by Argo's senior management. Remuneration for employees is based on the overall results of the firm and is not based on the success of any transaction. Remuneration for investment management employees may be partly based on the performance of the managed portfolios. Remuneration for advisory and sales employees may be partly based on business production.

Employees are subject to appropriate management and supervision to ensure that Argo is able to demonstrate that it has appropriate and effective arrangements in place to ensure that conflicts of interest are properly managed.

2.13 Information Barriers

Argo maintains appropriate policies in its Software and Security Policy and Compliance Manual detailing Insider Lists and Information Barriers often known as Chinese Walls so as to limit or withhold the use of information that is price-sensitive, confidential, and could give rise to market abuse, restrictions on dealing, conflicts of interest, or any other improper or unethical activities. Argo also maintains and periodically updates the Restricted Lists of financial instruments that are prohibited or restricted from investment as a result of a conflict of interest or inside information.

3. Monitoring and Review

Argo will monitor the effectiveness of its systems and controls surrounding the management of any Conflicts of Interests to identify, and where appropriate, correct any deficiencies. Argo will regularly review its Conflicts of Interest Policy and should we amend or replace any version of the policy, the newest version will automatically apply and will supersede all previous versions. For the avoidance of doubt, the newest version available will always be that as listed on the Company's website at www.argocm.com

All clients can request a hard copy of our Conflicts of Interest Policy at any time by contacting their usual client contact.

4. Record of Conflicts

Under SYSC 10.1.6, we must keep a record of the kinds of service or activity carried out by, or on behalf of, Argo in which a conflict of interest leading to a material risk of damage to the interest of one or more clients has arisen or may arise. This record must be regularly updated. To meet this obligation, Argo maintains a Conflict of Interest register which is reviewed on a regular basis.

5. Related policies

This policy operates in conjunction with, and is dependent on, other policies including:

- Personal Account Dealing Policy;
- Best Execution Policy;
- Broker/Counterparty approval structure; and
- Argo Compliance Manual

6. Reporting

Conflicts of Interest situations or potential conflicts situations should be reported to the Compliance Officer immediately.

Argo Capital Management, July 2018