EVENLODE

INVESTMENTS FOR LIFE

Conflicts of Interest Policy

The Long Barn
Chalford Park Barns
Oxford Road
Chipping Norton
Oxfordshire OX7 5QR
Tel: 01608 695200
www.evenlodeinvestment.com
evenlode@evenlodeinvestment.com

Introduction

Investment firms operating under the EU 'Markets in Financial Instruments Directive' (MIFID) have always been required to consider and manage potential conflicts of interest that arise between the firm and its clients that results in 'material risk', take steps to manage conflicts and where this is not possible, disclose them to the clients.

MIFID II enhanced the requirements above with the directive stating that a firm must consider 'all risks' rather than just 'material risks' and that a firm should take steps to identify, manage and prevent conflicts of interest and as a last resort disclose to the client if this is not possible.

Conflicts of interest are described by the FCA (SYSC 1.1.5G) as 'cases where there is a conflict between the interests of the firm or certain persons connected to the firm or the firm's group and the duty the firm owes to a client; or between the differing interests of two or more of its clients, to whom the firm owes in each case a duty.'

Regulated activities carried out by Evenlode that may give rise to conflicts of interest:

- Reception and transmission of orders in relation to one or more financial instruments.
- Execution of orders on behalf of clients.
- Portfolio Management.

Conflicts of Interest Policy

Evenlode Investment Managements' clients are the authorised funds it currently runs. However, we take our responsibilities to the investors in the funds very seriously and will always consider if our action adversely impacts the underlying investor as well as the funds. The MIFID rules around conflicts of interest apply regardless of the client type, be it, retail, professional or eligible counterparty.

In order to meet our obligations under MIFID II in relation to conflicts of interest, Evenlode will:

- Identify circumstances which may give rise to a conflict, material or otherwise to either the fund(s) or the underlying investors.
- Put in place appropriate and proportionate systems and controls to manage or prevent the conflict.
- Disclose to its clients when a conflict cannot be managed or prevented.
- Review this policy at least annually or before should the conflicts of interest change.
- Provide a report to the board annually on the management of conflicts of interest.

Determination of a conflict of interest situation

The following situations are governed by the MIFID rules on conflicts of interest.
Where a 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 a service provided or a transaction carried out on behalf of the client, which is different from the client's interest.
- Has a financial or other incentive to favour the interest of one client or group of clients over the interest of the client
- Carries on the same business as the client.
- Receives an inducement from a third party in relation to a service provided to the client, in the form of monies, goods or services, that is different from the standard commission or fee for that service.

Potential Conflicts of Interest

Taking into consideration all the above, Evenlode has identified the following areas that may give rise to a conflict of interest:

Inducements

- Receipt of unsolicited, unpaid for research: The receipt of research from a provider who we have not previously agreed terms with and therefore which is provided free may lead us to place our trading with that party. We mitigate this risk by agreeing with nominated research providers the level of research we will consume and the fee that will be paid for it from our P&L. Staff are aware of the providers we use and will push back any unsolicited research. All execution brokers are approved in advance and are documented in our best execution policy.
- Gifts and hospitality: The giving or receiving of gifts or hospitality by or to our staff may create the appearance of partiality. We mitigate this risk by having a policy in place that all gifts and hospitality above £50 are logged and approved by the Compliance Officer.

Receipt of non-public material information

- Evenlode predominantly invests in equities and from time to time is made aware of information that is not public regarding an asset that is held in the portfolio. There is a risk of conflict should Evenlode or the person who is aware of the information use it inappropriately for the gain of the Evenlode Funds or for personal gain. All non-public information has to be reported to the Compliance Officer and where possible a ban on trading across the firm is put in place until such time the information is made public. The risk is further mitigates as the investment process in collegiate. Any individual wishing to undertake any personal account dealing must first seek approval from Compliance and trading in stocks held in the funds or in the fund universe is prohibited.

Personal account dealing

- A policy is in place for anyone in the firm wishing to trade shares, which requires prior approval by the Compliance Officer. Trading in stocks held in the funds or in the fund universe is prohibited.

OCF fee setting

- Evenlode is responsible for setting the OCF's for the share classes of the funds. The fees collected pay for the running of the funds and Evenlode receives payment for the provision of its investment services to the funds. A conflict could arise in that Evenlode set the OCF at a high level in order to make excessive profits. This conflict is mitigated by the following:
  - The fund is managed by an independent ACD who has oversight of the level of the OCF.
  - Evenlode regularly reviews the OCFs and will reduce the fees where appropriate to do so. Fee tiering was introduced for all funds in March 2020.

Allocation of orders

Evenlode currently manages multiple funds and some companies are held in more than one fund. A conflict arises where trading occurs in a company's shares at the same time in more than one fund. To mitigate this scenario, trades are aggregated at the point of placing the trade and then once the trades have been dealt in the market each fund will receive a proportionate allocation with no favouritism to any individual fund.

Shareholder engagement

- Our commitment to transparent and responsible asset management extends to proactive shareholder engagement. We diligently adhere to robust voting guidelines aimed at safeguarding our clients' long-term interests. Our engagement policies, complemented by a transparent voting history, serve as a testament to this. By making our annual Responsible Investment Report publicly accessible, we wish to create accountability and openness. This framework ensures that our shareholders are well-informed and confident in our stewardship decisions. We believe that active and transparent shareholder engagement is pivotal in mitigating conflicts of interest and maintaining the trust our clients place in us.

Outside business interests

- The conflicts of interest register also catalogues any external engagements, such as outside directorships. This is subject to quarterly reviews during Board meetings and ensures ongoing scrutiny, allowing us to identify and manage potential conflicts promptly.