

Conflicts of Interest

Our Conflicts of Interest Policy

The purpose of this document is to provide our clients with appropriate information in relation to the policies we have in place to manage conflicts of interest. This policy has been designed to ensure that all of our clients are treated fairly and is reviewed on an annual basis.

1. What is a conflict of interest?

Like any Financial Services company we face actual and potential conflicts of interest in relation to providing a service or activity to you.

At Vartan Ravenscroft we take all appropriate steps to identify and to prevent or manage conflicts of interest. We do this by maintaining and operating effective organisational and administrative arrangements. We have also put in place business specific procedures that address the identification and management of conflicts of interest.

A conflict of interest may arise when we are providing a service or activity to a client and:

- we gain a benefit and there is also a possible disadvantage to the client; or
- one client, to whom we owe a duty of care, makes a gain or avoids a loss and there is an associated possible loss to another client.

2. How do we identify conflicts of interest?

We must take all appropriate steps to identify, prevent or manage any conflicts of interest between:

- Vartan Ravenscroft which includes our relevant employees, appointed representatives, directors and any person directly, or indirectly, linked to our firm as a controller and our clients; and
- Two clients of Vartan Ravenscroft.

2.1 What are appropriate steps?

As a minimum, we will consider the following to determine, if by providing the service or activity, we might:

- likely make a financial gain, or avoid a financial loss, at the expense of the client;
- have an interest in the outcome of a service or transaction provided to the client which is distinct from the client's interest in that outcome;
- have a financial, or other incentive, to favour the interest of another client, or group of clients, over the interests of the client;
- carry on the same business as the client; or
- receive, or will receive, from a person other than the client, an inducement relating to a service provided to the client, in the form of monies, goods, services, other than the standard commission or fee for that service.

2.2 Other situations where there may be conflicts of interest

Conflicts of interest may also result from other activities conducted by us or by other members of our group. We will also identify if there are conflicts in the following circumstances:

- when we are approving a new business line or product;
- if we consider any activities, or combination of activities, creates a heightened risk of conflicts impacting our client's interests - both at the start and during the client relationship.

2.3 New conflicts of interest

The Compliance Department in conjunction with the Board will assess all new identified conflicts and make a decision whether:

- existing control mechanisms are sufficient to mitigate it;
- new/additional controls are required; and
- we should disclose the conflict to relevant clients so that they are able to take an informed decision as regards the related service.

3. Recording conflicts

We will keep and maintain a record of the types of services and activities carried out by us, or on our behalf, where a conflict has been identified that may result in a risk of damage to the interests of our clients. This includes potential and actual conflicts and any that might arise when providing an ongoing service to our clients.

We will use a Conflicts Register to record this information.

4. Managing conflicts

We will always put in place arrangements that demonstrate we have taken all appropriate steps to prevent a conflict from adversely affecting the interests of our clients. We use the following types of arrangements in place to mitigate our conflicts:

- **Policies and Procedures** - We ensure that all relevant employees at Vartan Ravenscroft receive detailed guidance via our internal policies and procedures to ensure that conflicts and potential conflicts are mitigated or avoided. The Vartan Ravenscroft Board and the Compliance Department within Vartan Ravenscroft are responsible for ensuring that our systems and controls and procedures continue to be robust and adequate and when a conflict does arise it is managed promptly and fairly.
- **Information Barriers** - Information or physical barriers to ensure relevant staff providing dealing, advice and management services to clients are restricted from accessing confidential or non-public information available within Vartan Ravenscroft and the wider group. This includes appropriate governance on those individuals that sit above any physical barriers.
- **Supervisory Arrangements** - Two departments or businesses which, if run together, could encounter conflicts of interest have a clear division of responsibilities and are monitored closely.
- **Personal Account Dealing** - An employee dealing policy that sets out Vartan Ravenscroft's conditions under which its staff may engage in investment activity for their own account.
- **Aggregation and Allocation** - An order allocation policy that sets out Vartan Ravenscroft arrangements on when client orders can be aggregated, what disclosures we must make and arrangements to ensure that aggregated transactions are fairly allocated between all relevant clients.
- **Best Execution Policy** - Sets out Vartan Ravenscroft's arrangements for ensuring the best possible results are achieved when executing orders for clients, identifies the venues (i.e. exchanges and trading facilities operated by investment firms) that we use and the factors that we consider when deciding which venue to use; (Please see Pershings Best Execution Policy in the terms of Business or on our website).

- **Inducements** - An Inducements, gifts and hospitality policy that sets out Vartan Ravenscroft's arrangements. In general, Vartan Ravenscroft must not pay to, or accept from, a third party any fee, commission or other benefit in relation to business undertaken for a client.
- **Advice and Provision of Portfolio Management Services** - Suitability of advice, portfolio construction and any changes made are monitored to ensure all clients are treated fairly and receive the appropriate level of service.
- **Remuneration and other Incentive Structures** - All employee remuneration is part of an HR process that is overseen by an independent Remuneration Committee. The bonus scheme is linked to company performance and individual performance relating to varying criteria. The bonus scheme is discretionary.
- **Employees' activities outside Vartan Ravenscroft** - Appropriate restrictions on outside interests, such as directorships of other companies.
- **Staff Training** - Investment Staff are provided with regular training on how to identify and manage a conflict of interest.
- **Data Protection** - Vartan Ravenscroft do not use any client information for any other purpose than to provide our clients with Investment Management and Stockbroking services.
- **Complaints** - All complaints are handled independently by the CEO.
- **IFSL Huntress Balanced and Blue Chip OEIC** - Detailed process outlining Vartan Ravenscroft's responsibilities as Sponsor working alongside the Authorised Corporate Director (ACD) IFSL.
- **Promotion and use of 'in-house' funds** - Detailed policy ensuring that the most suitable fund available is recommended for each client.
- **Research** - We do not often produce 'Investment Research' but when we do, we have in place a policy where relevant fund managers will not deal on any information before clients have had access to the same research. A research policy setting out Vartan Ravenscroft requirements on:
 - o conduct of staff engaged in preparing/issuing research (e.g. in relation to their personal dealing or their engagement with the issuers of the investments they cover);
 - o means by which research is published to clients and the timing involved;
 - o use of research for internal purposes ahead of dissemination to clients;
 - o clear labelling of any research which is non-independent as a marketing communication; and disclosures to be included in research recommendations, including those prepared by third parties.
- **Independent management structures and reporting lines** - which only meet at board level.

5. Disclosure of conflicts

If we are unable to put in place arrangements that are sufficient to prevent conflicts from adversely affecting our client's interests, we must disclose this to the client before carrying out any business on their behalf. Any disclosure made under this section will be as a last resort, we expect to have effective organisational and administrative arrangements in place to prevent or manage conflicts. We will not make a disclosure before we have properly considered how we can reasonably manage a conflict to reduce the potential damage to the client's interests.

If we need to disclose, then we must disclose the general nature and source of the conflicts of interest and the steps we have taken to mitigate any risks. This disclosure must:

- be made in a durable medium (a letter or email);
- clearly state that we are reasonably confident the organisational and administrative arrangements we have in place will not prevent the risk of damage to the client's interest;
- include a specific description of the conflict and explain what risks to the client might arise as a result of the conflict;
- be made before business is undertaken for the client;
- relate to specific conflicts of interest; and
- include sufficient detail to enable the client to take an informed decision about whether to proceed with the service offered by the firm.

The disclosure must be signed off by the Compliance Officer before being issued.

Disclaimer

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