
Conflicts of Interest Policy

Introduction

Sucden Financial Limited (“SFL”) must manage conflicts of interest fairly, both between itself and its clients, between the interests of one client of the firm and another client and between the interests of an SFL employee and the firm or one of its clients. This Policy demonstrates SFL’s commitment to the identification and professional management of potential conflicts of interest.

SFL will:

1. take all appropriate steps to identify conflicts of interest between the interests of (i) SFL and its clients; and (ii) one client of the firm and another client;
2. keep and regularly update a record of any conflicts of interest that have been identified;
3. take all reasonable steps to prevent such conflicts of interest from constituting a material risk of damage to the interests of its clients;
4. maintain records of SFL’s services and activities in which conflicts may arise; and
5. as a last resort, disclose any conflicts that cannot be managed effectively.

Identification of conflicts

The following services and activities have the possibility to give rise to a conflict of interest and potentially, but not necessarily, be detrimental to the interests of SFL clients:

- SFL may have an interest in a financial instrument that is contrary to a client’s;
- SFL may have an interest in maximising trading volumes in order to increase commission revenue, which opposes the client’s objective to minimise transaction costs;
- SFL may have an interest that is contrary to a trade idea or research report that it transmits to a client;
- SFL directors may have interests in businesses outside of SFL;
- Employees may be related or otherwise connected to individuals at other counterparties or clients;
- SFL’s bonus scheme may reward its employees based on trading volume; and
- SFL may receive or pay inducements to or from third parties in exchange for business.

These are general potential conflicts and will be managed in accordance with this Policy. Additional specific conflicts will be recorded on the Conflicts of Interest Register.

Employees are required to report specific potential conflicts of interest in writing to SFL’s Compliance department as soon as practicable. To identify the potential conflicts of interest that require reporting, employees take into account whether SFL, or a SFL employee:

- is likely to make a profit or avoid a loss at the expense of the client;
- is aware of any situation where the interest of one client may conflict with those of another;
- has an incentive, financial or otherwise, to favour the interest of one client or group of clients over another; or
- could be in a position where the ability to act in a client’s best interests is potentially affected by any other matter.

Recording and managing conflicts

SFL maintains a register of the potential conflicts of interests that have been identified. The information in the register facilitates the management of specific conflicts, whilst information on the management of more general conflicts of interest is recorded in the remainder of this Policy.

Disclosure of conflicts

If the measures in place are not sufficient to avoid or manage a conflict of interest relating to a client, SFL will, as a last resort, disclose the conflict of interest to the client.

Trading for Group Companies

Other companies within the Sucden group may hold accounts at Sucden. Such accounts will be treated the same as any other client account with respect to the priority and execution of orders.

Best Execution

SFL's Order Execution Policy is designed to ensure that it acts in the client's best interest when executing orders. This applies regardless of any potential conflicts of interest and mitigates the risk of SFL acting in favour itself or a particular client over another client.

Personal Account Dealing

SFL has policies and procedures to monitor employees' personal account dealing and in certain circumstances restrict dealing where employees' interests may conflict with the obligations to clients.

Gifts and corporate hospitality

Employees must not offer or accept any inducements which may conflict with the interests of SFL or its clients. SFL has a Gifts Policy to ensure compliance with the FCA rules on inducements. The Policy places a limit on the value of permissible gifts and corporate hospitality and requires all gifts to be recorded in the Gifts Register.

Remuneration

SFL recognises that the remuneration of front office employees based solely on performance may create a conflict of interest between its employees and the clients that they service. In mitigation of this potential conflict, The Remuneration Committee was established to provide oversight of this structure and SFL's Remuneration Policy requires any variable remuneration to be consistent with sound and effective risk management. Employee appraisals must take into account Compliance related performance which includes adherence to this Policy.

Review

This Policy is reviewed on a regular basis and at least once a year. The directors are provided monthly reports on identified conflicts via the Audit and Compliance Committee.