

Conflicts of Interest Policy

Introduction

Under Financial Conduct Authority (“FCA”) rule SYSC 10.1.10R Imara Asset Management (UK) Limited (“the Firm”) must establish, implement and maintain an effective written conflicts of interest policy (“the Policy”) that is appropriate to the size and organisation, nature, scale and complexity of its business. Where the Firm is a member of a group, the Policy must also take into account any circumstances of which the Firm is, or should be, aware, which may give rise to a conflict of interest from the structure and business activities of other group companies.

Furthermore, SYSC 10.1.6R, requires the Firm to maintain an up-to-date record of the kinds of service or activity carried out by or on behalf of the Firm in which a conflict of interest entailing a material risk of damage to the interest of one or more clients has arisen, or in the case of continuing services, may arise.

This policy sets out the principles and guidelines for identifying, managing, recording and, where relevant, disclosing existing or potential conflicts and protecting the interests of its clients.

All staff and relevant persons are responsible for identifying actual or potential conflicts of interest between the Firm and managing and mitigating those conflicts fairly and in accordance with this policy. Any concerns or queries about actual or potential conflicts must be discussed with your Compliance Officer in the first instance.

The Compliance Officer is responsible for maintaining the Policy, the record of conflicts, monitoring adherence to the Policy and periodic reporting to senior management.

Application

The Policy applies to the Firm, its employees, appointed representatives, relevant persons and its controllers, without exception.

This Policy should not be read in isolation and individuals should refer to the Firm’s Compliance Manual on matters related to Market Abuse, Personal Account Dealing, Gifts and Inducements where separate guidance is provided.

Conflicts of interest defined

A *conflict of interest* may only arise when the Firm is providing services to clients (whether retail professional or eligible counterparty) in the course of carrying on regulated or ancillary activities.

Conflicts of interest may arise between:

- **The Firm** (its managers, employees and appointed representatives, tied agents and persons directly and indirectly linked to them by control) **and a client of the Firm.**
- **One client** of the Firm (its managers, employees and appointed representatives, tied agents and persons directly and indirectly linked to them by control) **and another client**

Conflicts of interest involve a failure by the Firm to act in the best interests of its client and will typically involve a material risk of damage to the interests of that client. Either the Firm (and connected persons or other members of the Firm’s group) may gain a benefit at the expense of a loss or disadvantage to a client; or one client may gain a benefit at the

expense of a loss or disadvantage to another client. When assessing a potential conflict of interest the Firm must consider whether it:

- (1) is likely to make a financial gain, or avoid financial loss, at the expense of the client
- (2) has a distinct interest in the outcome of the service provided to the client or of a transaction carried out on behalf of the client.
- (3) has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client
- (4) carries on the same business as the client, or
- (5) receives, or will receive, from a person other than the client an inducement in relation to the service provided to the client, in the form of monies, goods or services, other than the standard commission fee or fee for that service.

Examples of potential conflicts of interest may include, but are not limited to, the following;

Misuse of information	Individuals with knowledge of fund trading activity may potentially front run the dealings of the fund. Individuals may potentially misuse information obtained during the course of their employment to trade for their personal account.
Remuneration	Individuals may act unfairly between clients if their remuneration structure encourages them to favour one fund over another.
Proprietary Trading	The Firm may trade its proprietary positions in a security when at the same time it has information about future transactions with clients in relation to that security.
Research	Research staff may hold securities which they are recommending to traders and as such may misuse the research for their own account. The Firm, may provide investment research in relation to an entity or group to which it also provides corporate finance advisory services.
Inducements	Employees could be unduly influenced by gifts from counterparties resulting on them doing business on basis of entertainment/gifts, rather than on what would be deemed best for client.
Allocation	The Firm may act as a discretionary portfolio manager for more than one client or fund and issues of allocation and aggregation between the clients and funds may arise.
Dealing Commission	Additional costs are borne by the funds which are not demonstrated in monetary terms or two funds are paying for services which are only being used for one fund.
Best Execution	Risk that the Firm may get a better price for one fund than the other.
Side Letters	One client has side letter in place which gives it preferential treatment over another client.

External Interests	Employees may have other business which would mean that they may not potentially devote enough time to the funds.
Shared back-office and support functions	Other Investment Management Firm with access to confidential information may misuse it or lack adequate internal controls to prevent unauthorized access to information

Detailed conflicts of interest review

The Firm has conducted a business review to identify potential conflicts of interest in its business and establish appropriate administrative and organizational arrangements to manage those conflicts. This review has covered actual and potential conflicts between the Firm, group firms, its managers, employees appointed representatives, tied agents and any person directly or indirectly linked to them by control and client and between one or more clients.

Record of conflicts and mitigating controls

A record of the Firm's conflicts and mitigating controls can be found in the Firm's Compliance file. This discloses by business service or activity the circumstances in which conflicts arise which are potentially damaging to one or more clients. It also identifies the mitigating procedures and controls the Firm has implemented in order to manage each conflict.

The Firm will use a number of administrative and organizational arrangements to mitigate any actual or potential conflicts including:

- Chinese walls to prevent or control the exchange of information between employees engaged in activities involving a risk of conflict of interest where the exchange of that information may harm the interests of one or more clients;
- Functional independence and separate supervision of relevant employees whose main functions involve carrying out activities or providing services for clients whose interests may conflict, or otherwise represent interests that may conflict;
- A review of remuneration arrangements in the Firm where these might give rise to conflicts of interest in relation to the activities or services provided by the relevant employees.
- Reassignment of employees to prevent or control the simultaneous or sequential involvement of relevant employees in separate services or activities where such involvement may impair the proper management of conflicts of interest.
- Policies covering gifts and entertainment, PA dealing and external interests.

Chinese walls

Chinese walls involve the restriction of information flows between different parts of the same business or business group. For example, Company A's corporate finance team may possess detailed client or price sensitive information about client B, which should not be used by the Company A proprietary trading desk to avoid a conflict of interest in respect of client B.

Where the Firm uses Chinese walls as a mitigating control it must record details of departments impacted and must maintain the controls and monitor them to ensure they remain effective.

Disclosure

Where the Firm is **not** reasonably confident the mitigating controls it has implemented will prevent loss to its client(s), then the Firm is required to disclose clearly the general nature and sources of conflicts before undertaking the client business.

Disclosure does not exempt the Firm from implementing mitigating controls but should be used in those instances where the controls do not give management a reasonable level of confidence that the client will not suffer a loss from the conflict.

SYSC 10.1.8R requires that disclosure is made in a durable medium and with sufficient detail, taking the nature of the client into account, to enable them to make an informed decision about the service.

The Firm has prepared appropriate disclosure wording, which is detailed in Appendix 2 (held in the Compliance file).

Disclosure is made via the following means: In writing to the client.

Periodic review

The Record of conflicts is formally reviewed every year and presented to the directors annually for review and approval.

The Compliance Officer will monitor the Record of Conflicts regularly to ensure it remains up to date and the mitigating internal controls remain effective.

What to do if you face a potential conflict

All employees must comply with the operating controls and procedures established in their department and recorded in the Firm's Conflict of Interest record. If you are unsure whether a conflict exists, or require guidance on the mitigating controls, consult with your Compliance Officer.

Employees must ensure that they obtain permission from the Compliance Officer prior to entering into an agreement that could potentially conflict with the Firm's duties to its fund(s) or between the Firm's funds /clients. Furthermore upon request, employees must supply appropriate information to assist in the identification of potential conflicts.

A Conflict Disclosure form is available for use where you believe you are conflicted (see Compliance file). Complete the form and forward it to the Compliance Officer, who will review it and reply to it.

Declaration of external interests

Each person to whom this policy applies must declare all external interests. Compliance will require you to confirm your external interests prior to any proposed new appointment or at least annually (see Appendix 4). These include:

- Directorships (paid or unpaid)
- Directorship interests
- Proprietary interests
- Consultancy arrangements
- Charitable trusteeships

External interest declarations will be recorded by the compliance officer on the appointments register (Appendix 5)

* For declaration of personal equity holdings please refer to the Firm's Personal Account Dealing Policy in the Compliance Manual.

** For declaration of inducements and gifts please see the Inducements & Gifts Policy in the Compliance Manual.

If individuals are in doubt as to whether a particular activity or interest requires disclosure, the Compliance Officer should be consulted.

Limitations on staff

Staff are discouraged to hold external directorships unless cleared with the Compliance Officer and, where necessary, the Board of Imara Holdings Limited.

Record keeping

Upon request, employees must supply appropriate information to assist in the identification of potential conflicts.

The Compliance Officer will maintain an up to date Record of Conflicts and will maintain associated records in keeping with FCA guidelines.