

Conflicts of Interest Policy - Clients

global investment management



1 **Introduction**

This document provides a high level summary for Momentum Global Investment Management Limited ("MGIM") clients in regards MGIM's policy relating to conflicts of interest. It has been drafted to meet the Financial Conduct Authority ("FCA") guidance as set out in SYSC 10.1.12 G and Article 34 of Commission Delegated Regulation (EU) 2017/565, referred to as the "MiFID Org Regulation" by the FCA.

2 **Identifying Conflicts**

In seeking to identify all possible conflicts that may arise in the delivery of our services, MGIM considers the following in relation to our business activities and the activities of our staff:

1. conflicts between the firm (including its staff and related parties) and a client; and
2. conflicts between one client of the firm and another client of the firm.

In applying the above relationships to our business activities (or the activities of our staff), it is worthwhile to identify specific factors which may indicate the occurrence of a conflict of interest:

1. financial gain or loss at a client's expense;
2. an interest in the outcome of service or transaction which is distinct from the client's interest;
3. the existence of a financial or other incentive that favours the interest of one client over that of another;
4. all instances where the firm or a representative is in competition with the client; and
5. the receipt of an inducement from a third party which is beyond that of normal commissions or fees payable by law or under contract, or contrary to what has been disclosed to the client.

Specifically this might apply in the following circumstances:

- i. **Profits and losses incurred as a result of errors** - Where an investment manager operates investment discretion, a scenario may occur where a profit is received as a result of an erroneous holding, or a dealing error. MGIM will always aim to act in accordance with Principles Six and Eight of the FCA's Principles for Business.
- ii. **Employee personal account dealing** - personal account trading of staff members is captured by MGIM's policy on personal account requiring the scrutiny and pre-authorisation prior to engaging in a trade for their own account.
- iii. **Direct trading exposure** - It is possible for an authorised firm acting as investment manager to have an interest on the other side of a trade from the client. MGIM are not authorised to deal as principal and will not directly trade with a client as counterparty. In its capacity as investment manager, MGIM always acts as an agent on behalf of the client.

3 **Managing Conflicts: MGIM procedures**

MGIM will always attempt as far as possible to manage any identified conflict of interest by imposing actions designed to mitigate the risk of any of our clients receiving unfair treatment. These policies of mitigation will not only consider the treatment of client interests in relation to the interests of the firm and its employees, but also the treatment between clients. Specific Conflict management arrangements include but are not limited to:

3.1 **Chinese walls**

Chinese walls are artificial barriers to the flow of information between different functional areas within companies or groups of companies. MGIM currently operates a Chinese wall between our UK investment management activities and the investment management activities carried out in South Africa by other companies within the MMI Group.

3.2 **Policy of Independence**



MGIM has a policy expects employees to act independently in the face of an identified conflict of interest that may arise between MGIM and one or more clients, and/or between clients.

3.3 Segregation of duties

MGIM maintains a sensible segregation of duties to avoid risks inherent in the trading activities based on the size and nature of MGIM's activities. Investment instructions are subject to a "four eyes" requirement of being signed off by two investment managers. Moreover investment management and dealing areas are properly segregated from one another, as with trading on the one hand and cash management on the other (e.g. reconciliation and settlement). Additional controls are instituted that are considered adequate for the size of our operations. Staff employed in regulatory oversight and review roles have no operational responsibilities.

3.4 Commission Arrangements

All commission/fee arrangements from MGIM are disclosed to the client in the management agreement. MGIM does not utilise Research Payment Accounts and receives no undisclosed services or material benefits from trading. Additionally, the use of Research Payment Accounts by appointed sub-investment managers is reviewed by MGIM during the due diligence process at the time of appointment.

3.5 Gifts, benefits or inducements

The purpose of the company's gifts and entertainment policy set out in the Compliance Manual is to restrict and monitor the giving or receiving of gifts or entertainment which may appear to have the prospect of influencing the behaviour of the recipient in a way that may compromise the company's reputation or be in breach of FCA Rules. All gifts and entertaining received or given over a de-minimis value of £20 must be notified to the Compliance Department and in principle no entertainment in excess of £100 per head should be given or accepted other than by exception and after discussion with Compliance.

3.6 Client order and aggregation

Where the dealing desk receives an instruction to execute transactions in the same instrument for more than one client, the transactions will be aggregated where possible. Should the transactions not be executed in full, the executions will be allocated to clients in proportion to the size of their intended transactions.

3.7 Refusal to act

In cases where MGIM considers that it has encountered a conflict of interest (in relation to a new client, proposed mandate, client request or other circumstance) that it is unable to mitigate or manage without risk to one or more clients, MGIM's CEO, together with the Head Compliance will notify the client in writing that it is unable to provide the requested services to a client on suitable grounds appropriate to the circumstances.

3.8 Disclosure

This is used as a measure of last resort, where the effective organizational and administrative arrangements are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of client will be prevented. MGIM will consider disclosing the conflict of interest to one or more affected clients in circumstances where this is merited. The decision on whether or not it is pertinent to make a disclosure to the client will be made jointly by the CEO and Head of Compliance.