



Compliance Manual Appendices

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Contents

APPENDIX A1: SYSC RESPONSIBILITIES TABLE – APPROVED PERSONS REGIME.....	6
Senior Management Systems and Controls – FCA (SYSC) Sourcebook	6
APPENDIX A2: SYSC RESPONSIBILITIES TABLE – FIRM ONLY	8
Senior Management Systems and Controls – FCA (SYSC) Sourcebook	8
Table 1 – Senior Management Functions.....	8
Table 2 – Certification Functions.....	8
Table 3 – Prescribed Responsibilities	9
APPENDIX B: BUSINESS CONTINUITY POLICY	10
Business Continuity Policy	10
Overview.....	10
Business Description.....	10
Firm Policy	10
Procedure for Dealing With BDE	10
Preventative Measures Taken to Mitigate the Threat of BDEs.....	10
Call Tree.....	10
Notifications	11
Plan Location and Access.....	11
Updates and Annual Review.....	11
Testing	11
APPENDIX C: RISK POLICY	12
Risk Policy	12
APPENDIX D: CONFLICTS OF INTEREST POLICY	13
Conflicts of Interest Policy.....	13
Purpose.....	13
Regulatory Background	13
Summary of Requirements.....	13
Situations in Which Conflicts of Interest Could Arise.....	15
Arrangements for Managing Conflicts	17
APPENDIX E: BEST EXECUTION POLICY.....	19
Order Execution Policy (OEP)	19
Introduction.....	19
Purpose.....	19
Obligation	20
Execution Factors	20
Execution Criteria	20
Use of Broker/Counterparty or DMA	21

Selecting Which Venue or Broker/Counterparty.....	21
Considerations Relating to Counterparty/Broker Expertise and Illiquid Stocks.....	21
Considerations Relating to Commission Rates	21
Considerations Relating to Large Transactions	21
Considerations Relating to Speed of Transactions.....	22
Considerations Relating to Speed of Settlement	22
Considerations Relating to Geographical Location	22
Considerations Relating to Linked Transactions.....	22
Considerations Relating to Collective Investment Schemes	23
Details of Brokers/Counterparties and Venues.....	23
Client Consent	23
Changes to This OEP	23
Client Instructions.....	23
Evidence of Best Execution.....	23
Monitoring and Review of Execution Arrangements and Policy	23
Client Order Handling.....	24
Glossary	25
Appendix i – Table of Brokers/Counterparties (at August 2022)	26
Appendix ii – Table of Venues (at August 2022).....	26
APPENDIX F: PERSONAL ACCOUNT DEALING	27
Personal Account Dealing Requirements	27
APPENDIX F1: PERSONAL ACCOUNT DEALING – ARs	28
Personal Account Dealing Policy for ARs.....	28
Prior Permission to Deal	28
Rights Issues, Takeovers Etc	28
Trustees, Personal Representatives and Agents	28
General Exemptions	28
Counselling and Procuring.....	29
Reporting of Transactions	29
Dealing Contrary to a Client’s Interest	29
APPENDIX F2: PERSONAL ACCOUNT DEALING – FIRM.....	30
Personal Account Dealing Policy for the Firm	30
Prior Permission to Deal	30
Rights Issues, Takeovers Etc	30
Trustees, Personal Representatives and Agents	30
General Exemptions	30
Counselling and Procuring.....	31

Reporting of Transactions	31
Dealing Contrary to a Client’s Interest	31
APPENDIX G: TREATING CUSTOMERS FAIRLY.....	32
Treating Customers Fairly – Statement of Objectives.....	32
Overview.....	32
Objectives	32
Financial Promotion and Marketing.....	33
Complaints.....	33
Senior Management.....	34
APPENDIX H: MARKET ABUSE EXAMPLES	35
Examples of Market Abuse.....	35
APPENDIX I: RUMOURS POLICY	41
Rumours Policy	41
Policy and Procedure	41
Determining What Constitutes a Rumour That May Also Constitute Market Abuse	42
When Opinion Generally Becomes Unacceptable Market Rumour	42
Civil and Criminal Offences.....	42
Passing on Rumours: Guidelines and Precautions	43
APPENDIX J: SUSPICIOUS ACTIVITY REPORT FORM.....	44
Suspicious Activity Report (SAR) Form	44
APPENDIX K: TAX EVASION PREVENTION POLICY	46
Policy for the Prevention of Tax Evasion	46
About This Policy	46
Responsibility for the Policy	46
Who Must Comply With This Policy?	46
What is Tax Evasion and Tax Avoidance?	46
Tax Efficiency	47
What Must Associated Persons Not Do?.....	47
Responsibilities of Associated Persons.....	47
Record-Keeping	47
How to Raise a Concern.....	48
APPENDIX L: ANTI-BRIBERY & CORRUPTION POLICY.....	49
Anti-Bribery and Corruption Policy	49
About This Policy	49
Responsibility for the Policy	49
Who Must Comply With This Policy?	49
What are Bribery and Corruption?.....	49

What Associated Persons Must Not Do	50
Gifts, Hospitality and Expenses	50
Facilitation Payments and Kickbacks	51
Record-Keeping	51
How to Raise a Concern.....	51
APPENDIX M: KNOWLEDGE AND COMPETENCE ASSESSMENT SHEET	53
Knowledge and Competence Assessment Sheet	53
APPENDIX N: GUIDANCE FOR APPENDIX M	60
Guidance for Completing Appendix M	60
Purpose.....	60
Basic Details.....	60
Knowledge and Competence.....	60
APPENDIX O: COMPLAINTS MANAGEMENT POLICY	62
Introduction.....	62
Scope	62
Purpose and Outcomes	62
Commitment to Candour.....	62
Roles and Responsibilities	62
Equal Access	63
Time Limits	63
Reopening of Complaints	63
Monitoring.....	63
Related Documentation	63
APPENDIX P: COMPLAINTS LEAFLET	65
APPENDIX Q: PROD ANNEX ASSESSMENTS	66
PROD Annex – Assessment Questionnaire for ARs	66
PROD Annex – Assessment Questionnaire for the Firm.....	69
APPENDIX R: TELEPHONE RECORDING POLICY	73
Telephone Recording Policy	73

APPENDIX A1: SYSC RESPONSIBILITIES TABLE – APPROVED PERSONS REGIME

Senior Management Systems and Controls – FCA (SYSC) Sourcebook

A firm must take reasonable care to maintain a clear and appropriate apportionment of significant responsibilities among its partners and senior managers in such a way that:

1. It is clear who has which of those responsibilities.
2. The business and affairs of the Firm can be adequately monitored and controlled by the partners, relevant senior managers and the Governing Body of the Firm.

By virtue of Controlled Functions for ARs under [SUP 10A.1.15](#), the list of individuals approved under the Firm in respect of AR activity is shown on the Financial Services Register as detailed below:

https://register.fca.org.uk/ShPo_FirmDetailsPage?id=001b000000NMOyOAAX

Each AR is required to have a Nominated Senior Manager as the main point of contact for Firm activity. The Nominated Senior Managers of current Firm ARs at April 2021 are shown below.

Appointed Representative	Nominated Senior Manager
7percent Ventures Ltd	Andrew Scott
ADG PrefCap LLP	Emma Barrat
Auxilium Financial Risk Management Ltd	Jonathan Lye
BGV Investment Management Ltd	Melanie Hayes
Infinium Partners LLP	Neil Lambert
Leafy Tunnel Ltd	Bek Muslimov
MENA Investment Partners LLP	Richard Greer
Pi Labs (Manager) Ltd	Faisal Butt
Rebel 54 Ltd	Andre Tegner
Saras Capital LLP	Nadav Rosenberg
Semantic Ventures LLP	Alex Shelkovnikov
Untitled Advisors LLP	Bertie Crawley

FCA Controlled Functions for ARs

Key Responsibilities for Directors (CF1)/Partners (CF4)

- Appropriate allocation of responsibilities within the AR
- Identification, assessment and management of business risks
- Finance and controls
- Regulatory compliance

- Design, direction and regular review of the business strategy and model including appropriate resources
- Product governance
- Revenue growth
- Cost management
- Recruitment and supervision including performance management of personnel
- Record-keeping

Key Responsibilities for Non-Executive Directors (CF2)

- Setting and monitoring business strategy
- Scrutinising the approach of executive management, performance or standards of conduct
- Determining appropriate levels of remuneration of executive directors
- Helping connect the business and board with networks of useful contacts
- Maintaining robust risk management
- Regular monitoring of internal control systems and financial performance

Key Responsibilities for Customer Function Holders (CF30)

- Client relationship management
- Fund investor relationship management
- Identification and advice on potential clients/deals
- Maintaining records of investment advice
- Maintaining records of manager approvals of investment recommendations
- Maintaining transaction records

APPENDIX A2: SYSC RESPONSIBILITIES TABLE – FIRM ONLY

Senior Management Systems and Controls – FCA (SYSC) Sourcebook

A firm must take reasonable care to maintain a clear and appropriate apportionment of significant responsibilities among its partners and senior managers in such a way that:

1. It is clear who has which of those responsibilities.
2. The business and affairs of the Firm can be adequately monitored and controlled by the partners, relevant senior managers and the Governing Body of the Firm.

Tables 1 and 2 below detail those individuals within the Firm who hold Senior Management Functions (SMFs) and/or Certification Functions (CFs). Table 3 shows the allocation of Prescribed Responsibilities (PRs) to Firm SMF holders. A more detailed list of responsibilities is maintained by the Compliance Officer and reviewed on a regular basis by the Governing Body.

Table 1 – Senior Management Functions

Senior Management Function	Description of Senior Management Function	SMF applied for or held				Name
		Limited scope firms	UK core firms	EEA core firms	Enhanced Firms	
SMF16	Compliance Oversight		X			Gillian Gallacher
SMF17	MLRO		X			Emma Jones
SMF27	Partner		X			Gillian Gallacher Kevin Gallacher

The list is also available on the Financial Services Register as detailed below:

https://register.fca.org.uk/ShPo_FirmDetailsPage?id=001b000000NMOyOAAAX

Table 2 – Certification Functions

Certified Role	Description of Certified Role	CF held				Name
		Limited scope firms	UK core firms	EEA core firms	Enhanced Firms	
7	Client-dealing (SYSC 27.8.18R)		X			Kevin Gallacher

Table 3 – Prescribed Responsibilities

Ref	Prescribed Responsibility (applicable to UK core firms)	Does this Prescribed Responsibility apply?	Who?	Is this Prescribed Responsibility shared?
a)	Performance by the Firm of its obligations under the Senior Managers Regime, including implementation and oversight.	Yes	Gillian Gallacher	No
b)	Performance by the Firm of its obligations under the Certification Regime.	Yes	Gillian Gallacher	No
b-1)	Performance by the Firm of its obligations in respect of notifications and training of the Conduct Rules.	Yes	Gillian Gallacher	No
d)	Responsibility for the Firm's policies and procedures for countering the risk that the Firm might be used to further financial crime.	Yes	Kevin Gallacher	No
z)	Responsibility for the Firm's compliance with CASS.	No	N/A	N/A
za)	Responsibility for an AFM's assessments of value, independent director representation and acting in investors' best interests (applies to AFMs only).	No	N/A	N/A

APPENDIX B: BUSINESS CONTINUITY POLICY

Business Continuity Policy

Please note, this policy is a high-level summary for the Firm. The business continuity plan (BCP) is an internal standalone document specifically tailored to the Firm. ARs can use this policy as a *guide* on content for their own plans.

Overview

This business continuity policy presents an orderly course of action for managing and, in the event of failure, restoring critical computing capability to the Firm.

Business Description

The partners own the Firm. The Firm is an investment management firm providing investment management services to Eligible Counterparties and Professional Clients. It also acts as principal to a small number of ARs carrying out advising and arranging activities.

Firm Policy

The main aims of the Firm's policy and the BCP are to respond to a business disruption event (BDE) by safeguarding members' of staff lives and Firm property, making financial and operational assessments, quickly recovering and resuming operations, providing continuity for clients and investors, protecting all of the Firm's books and records, and allowing its ARs to continue to conduct business. The Firm ensures compliance with relevant working from home regulations including provisions for virtual offices.

Procedure for Dealing With BDE

1 Personnel

Immediately following any BDE, a planned sequence of events begins. Key personnel will be notified and recovery teams grouped to implement the plan.

2 Data Back-Up and Recovery

Salvage operations at disaster site, whilst continuing to operate from a designated recovery site. Where necessary, new equipment will be purchased and data restored from back-ups.

3 Communication With Third Parties

In the event of a BDE, the partners will immediately identify the means by which the Firm will be able to communicate with staff, ARs, business constituents, banks, clients and investors, counterparties, and regulators. This may include the emergency services should the BDE require this.

Preventative Measures Taken to Mitigate the Threat of BDEs

The policy anticipates 2 kinds of BDEs – internal and external – and include fire, computer crime, theft and back-ups.

Call Tree

Kevin Gallacher to contact Gillian Gallacher or vice versa. Either Kevin Gallacher or Gillian Gallacher to call/contact Emma Jones. Emma Jones to contact the rest of the Firm's team. Where relevant, the team will set about contacting the nominated senior managers of each/all ARs.

Notifications

Where relevant, the following parties should be notified in the event of a BDE affecting the Firm:

- The FCA: (+44) 20 7066 1000 (normally by the Firm's SMF16 or otherwise appropriate deputy).
- ARs – see standalone BCP.

Plan Location and Access

The Firm will maintain for inspection online copies of its current policy and BCP, evidence of annual review and testing of the BCP, and any changes that have been made to it.

Updates and Annual Review

The Firm will update its policy and BCP whenever there is a material change to its operations, BDE risks, structure, business, location or to any relevant regulations. In addition, the Firm will review its BCP annually and also after any BDE to identify any 'lessons learnt'.

Testing

As members of staff frequently work remotely albeit to varying degrees, the BCP is continually being tested. However, at least annually the Firm will conduct a formal BCP test and document its outcomes. The findings of the test will be used to identify areas of weakness or gaps in the BCP, which will be addressed either as part of the next scheduled review or immediately, depending on the severity of the findings.

APPENDIX C: RISK POLICY

Risk Policy

The Firm provides investment advisory and management services to Professional Clients and Eligible Counterparties.

The Firm has a low to moderate appetite for risk and its major business risks relate to the quality of investment management activity and regulatory hosting services for ARs. The Firm does not trade on its own account nor does it hold client monies or securities. The Firm does not act for retail clients, and does not act as a counterparty to any investment transaction, whether advisory or management. As such, the Firm's exposure to credit and market risk is incidental to the advisory and investment management business it conducts and relates primarily to its exposure to its client for management or licence fees.

The Firm's internal operational infrastructure is straightforward and it does not outsource any of its regulated services. The Firm's key risks are operational and mainly related to its role as principal to its ARs. The Firm takes regulatory responsibility for its ARs' activities, and as interim investment manager to a small number of institutional investment funds, advised by its ARs. Accordingly, it ensures that it carries out comprehensive and robust due diligence prior to assuming regulatory responsibility for an AR and any Approved Persons. The Firm also ensures that there is regular and appropriate supervision of ARs including, but not limited to, onboarding and annual training, provision of a compliance manual and appendices (this Manual), monthly management reporting including agreed key performance indicators and formal compliance monitoring, normally at least annually. The Firm's risk management process also includes allocation of a designated contact point, a Primary Contact, to each AR to act as a focal point for firm-wide oversight activity. The Firm also has an escalation policy to manage increased exposure due to AR activity.

Another important area of operational risk is the challenge to cope with the pace of change in regulatory requirements, which is mitigated by engaging Gem Compliance Consulting Ltd, regulatory consultants, to provide ad hoc advice and monitoring. The Firm seeks to minimise its operational risks by putting in place robust business controls and monitoring the operation of these controls.

The Firm also operates a Risk Register which is reviewed by senior management on a quarterly basis. Emerging risks are also considered during the quarter and discussed by management at the next meeting. Risks are scored according to likelihood and impact according to an agreed risk matrix. A 'traffic light' rating of red, high-amber, low-amber and green is assigned. The Firm also ensures that its ARs implement and maintain similar risk registers and monthly reporting includes a KPI to assess the effectiveness of ARs' risk management.

The arrangements and processes designed to manage the identified risks are further described in the Firm's Internal Capital and Risk Assessment process (ICARA) which is reviewed on an annual basis to assess risk to capital adequacy. This takes into account consideration of risk of harm to clients/end users and the Firm itself.

APPENDIX D: CONFLICTS OF INTEREST POLICY

Conflicts of Interest Policy

Purpose

The purpose of this conflicts of interest policy under [SYSC 10.1.11 R](#) is:

- To identify by reference to the specific services and activities carried out by (or on behalf of) the Firm the circumstances which constitute or may give rise to a conflict of interest, entailing a material risk of damage to the interests of one or more clients.
- To specify procedures to be followed and measures to be adopted to manage such conflicts.
- To communicate this information to those who are in the Firm.

It is the responsibility of all staff to familiarise themselves with the policy and report conflicts of interest, through the appropriate channels, to the Compliance Officer.

Regulatory Background

FCA Principle 8 (Conflicts of Interest) states:

‘A firm must manage conflicts of interest fairly, both between itself and its customer and between a customer and another client.’

These requirements have been amplified in the FCA sourcebook SYSC (Senior Management Arrangements, Systems and Controls).

The FCA’s ‘common platform’ of organisational requirements, principally for firms affected by MiFID and CRD, is designed to make it clear what is expected of firms and of their senior management. It does this by having management oversight and systems and controls in several areas including conflicts of interest.

Summary of Requirements

Identifying Conflicts

[SYSC 10.1.3 R](#) requires the Firm to take all appropriate steps to identify and prevent or manage conflicts of interest between:

- The Firm (including its managers, staff members, ARs, or any other person directly or indirectly linked to them by control), and a client of the Firm or
- One client of the Firm and another client

that arise or may arise during the Firm providing any services while carrying on regulated activities.

Types of Conflict

[SYSC 10.1.4 R](#) sets out that, for the purpose of identifying the types of conflict that arise while providing a service, and where there may be a material risk of damage to the interests of a client, the Firm must consider, as a minimum, whether the Firm or a relevant person, or a person directly or indirectly linked by control to the 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 to the client or of a transaction carried out on behalf of the client, which is distinct from the client’s interest in that outcome.

- Has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client.
- Carries on the same business as the client.
- Receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services other than the standard commission or fee for that service.

Segregation of Functions

[SYSC 5.1.6 R](#) to 5.1.11 G require the senior management of a firm to segregate duties to avoid conflicts of interest.

Disclosure of Conflicts to Clients

[SYSC 10.1.8 R](#) requires that where the arrangements made by the Firm are not sufficient to ensure with reasonable confidence that the risk of damage to the client will be prevented the Firm:

- Must clearly disclose, in a durable medium, the general nature and/or sources of the conflicts of interest to the client before undertaking business for the client.
- Must provide sufficient detail to enable that client to take an informed decision in relation to the service offered.

Under [SYSC 10.1.8R](#), the disclosure must:

- Clearly state that the organisational and administrative arrangements established by the Firm to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the [client](#) will be prevented.
- Include specific description of the conflicts of interest that arise in the provision of the relevant services.
- Explain the risks to the client that arise as a result of the conflicts of interest.
- Include sufficient detail, taking into account the nature of the [client](#), to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest arises.

Whilst disclosure of specific conflicts of interest is required, **disclosure should be used as a measure of last resort and an over-reliance on disclosure without adequate consideration as to how conflicts may be appropriately managed is not permitted by the rules.**

Responsibilities of Staff

It is the responsibility of all members of the Firm and AR staff to familiarise themselves with this policy and to report conflicts of interest to their line manager/nominated senior manager, who will in turn report them to the Compliance Officer. Failure to adhere to this policy can be taken to be a breach of contract.

Overall responsibility for the Firm's conflicts of interest lies with the partners. The Compliance Officer is responsible for the day-to-day administration of the policy.

The Compliance Officer will work with line management to eliminate conflicts of interest, record conflicts and the mitigating action in the conflicts register. The situation should also be reported to the partners for consideration.

The partners, via the Compliance Officer, have responsibility for ensuring that staff are aware of the aspects of the policy relevant to them.

All staff have a responsibility for carrying out aspects of the policy that are relevant to them.

Situations in Which Conflicts of Interest Could Arise

The purpose of this section is to set out typical situations in which conflicts of interest arise and are managed during the Firm's day-to-day business so that staff are better equipped to identify, report and assist in avoiding, eliminating or managing conflicts. ARs should create a list of situations relevant to their own businesses.

Potential Misuse of Information

Potential conflict: Staff may come into possession of material non-public information. The improper use of such information by staff could cause a conflict of interest with the interests of the Firm's clients, or between the interests of the Firm's clients, and may also be unlawful.

Method of managing/avoiding conflict: The Firm manages these risks by maintaining and following various internal policies and procedures to prevent the misuse of material non-public information. These procedures have been designed to prevent and detect any insider trading, considering the nature of the Firm's business and the instruments typically involved. The Firm has also implemented procedures to manage the risks of insider dealing, including using the compliance function as a gatekeeper to clear any inside information-based conflicts, the use of restricted/insider lists and dealing monitoring.

Personal Account Dealing

Potential conflict: The Firm's staff may engage in trading of securities or other instruments for their own account. Such trading activities may put those staff members and officers, or the Firm, in conflict with the interests of the Firm's clients (e.g. by having a personal interest in a transaction with a client, or by front-running transactions with clients).

Method of managing/avoiding conflict: The Firm manages this potential conflict of interest by maintaining a personal account dealing policy which has been formulated in accordance with relevant FCA rules. All staff must seek prior permission from the Compliance Officer to deal in securities for their own account. Each partner and staff member is responsible for checking the restricted list prior to dealing. In addition, the Compliance Officer will monitor all personal account dealing at the Firm.

Inducements

Potential conflict: The giving or receiving of gifts, entertainment, or any other form of gratuity or hospitality by or to Firm's staff may create the appearance of lack of impartiality. This may lead to a potential conflict of interest between the interests of the donor/donee and the interests of the clients.

Method of managing/avoiding conflict: Staff should refer to, and comply with, the Firm's controls in respect of gifts, benefits and hospitality, as detailed in its anti-bribery and corruption policy.

Remuneration Policy/Performance Fees

Potential conflict: A conflict may arise in respect of the Firm's fee-based income from its assets under management (AUM). The Firm will ensure that all investment holding valuations are conducted on an arms-length basis by a fund administrator of good repute and in accordance with the valuation policy applicable to the relevant fund.

Method of managing/avoiding conflict: Potential conflicts arising and arrangements for controlling/mitigating them are identified in the conflicts of interest register. Firm and staff interests are aligned with those of the Firm's clients as the level of remuneration for the existing staff, i.e. the partners, is based on the overall profits of the Firm. In addition, the Firm is governed by the remuneration requirements of SYSC19G and SYSC 19E.

Outside Business Interests

Potential conflict: The Firm's staff may hold outside business interests, such as directorships, or shareholdings in service providers or other firms. The Firm has identified that such outside business

interests or investments could cause a potential conflict of interest between the personal interest of the relevant member of staff and the interests of the Firm's clients.

Method of managing/avoiding conflict: The Firm's staff must inform the Compliance Officer about their outside business interests in advance. The Compliance Officer must approve any such interests and will maintain a record of them.

Personal Interests in Funds

The potential conflict is staff receiving an economic or other benefit compared to third-party investors. Full disclosure of the partners' and staff members' investing terms is made to all existing investors. The Firm believes staff investing in its fund(s) aligns their interest with the third-party investors rather than creates conflicts. However, direct investment in fund portfolio companies by the Firm and AR staff is normally prohibited, as this is seen as having the potential to conflict with fund-related services.

Staff on Notice to Leave

Conflicts of interest could arise if a member of staff on notice to leave the Firm was to concentrate on higher risk short-term performance in order to achieve a larger leaving bonus. The partners monitor the risk level of investments and, where necessary, give instructions to restore the risk balance. If a staff member or partner on notice is seen to pose a particular risk, then that individual will be put on 'gardening leave' to remove the possibility of inappropriate trading.

Cross Trading Between Funds

Currently the Firm only provides investment management services for its independent ARs and as such, cross investment between funds is considered a manageable conflict. Permission of the Compliance Officer would be required before any cross investment could occur.

Disparity Between Performance Fees for Different Funds

The potential conflict is where the Firm concentrates on a particular client or fund that is paying higher fees than another client or fund. At present the Firm's income is based on licence fees and this is based on standard criteria including whether a direct authorisation will be required. If required, the basis of fund/fee arrangements will be fully disclosed to all clients and underlying investors, including the payment of any introductory fees that have been paid to third parties for introducing the business. In addition, the Firm will ensure that it is adequately resourced to be able to provide as much resources as is necessary to discharge the management obligation for each client.

Public Statements

Potential conflict and market abuse issues arise if the portfolio managers make public statements to talk up or down a particular security where the portfolios managed by the Firm have a position. The Firm and its staff do not currently undertake public statements for the Firm or its investments. However, the Firm has procedures in place whereby staff are not allowed to talk to the press regarding the Firm, its activities or its investments unless prior approvals from the Compliance Officer and the Governing Body of the Firm have been received.

Trade and Initial Public Offering Allocations

Generic conflicts may arise where the Firm only receives scaled back allocation for oversubscribed IPOs. Such a conflict is managed in accordance with its general allocation policy. Other conflicts could include overtrading with a particular broker to generate additional commissions for the broker to ensure that the Firm is considered a 'good' client for any IPO. This conflict is predominately a risk for equity-based managers and as such is not as directly relevant to the Firm's circumstances.

Arrangements for Managing Conflicts

Governance

The Firm has robust governance arrangements. Key business decisions are taken by the partners and are recorded.

The Compliance Officer is a partner and reports directly to the Board.

The Firm has in place rules, governing staff conduct, including PAD rules, which control and mitigate conflicts of interest. It also maintains a conflicts of interest register.

Reporting Lines

The Firm has defined and clear reporting lines. An organisational chart is maintained by the Compliance Officer.

Segregation of Functions

The rules in [SYSC 5.1](#) requiring segregation of functions are met by segregating duties as appropriate to avoid conflicts of interest wherever possible. These duties are set out via job descriptions, procedure manuals and organisation charts. Ensuring these duties remain segregated is the responsibility of line managers as advised by the Compliance Officer.

Disclosure of Personal Conflicts

Staff members and partners are required to disclose conflicts of interest to the Compliance Officer. The Compliance Officer will disclose conflicts to the other partner and, for recording purposes, the Deputy Compliance Officer. The Compliance Officer will record in the appropriate register and inform the partners of any action taken.

Disclosure to Clients

If the Firm's arrangements to manage a conflict of interest are not sufficient to ensure, with reasonable confidence, that the risk of damage to that client's interests is prevented, it will inform the client. This will be done in a durable medium, informing the client of the general nature and/or source of the conflict in such a way that an informed decision can be made by that client before business is undertaken.

Restricted List and Insider List

To facilitate the monitoring of conflicts, the Firm maintains a firm-based restricted list and an insider list.

Inducements

Staff are prohibited from giving to and accepting from clients, potential clients or other third parties gifts and entertainment outside of the Firm's relevant controls and its anti-bribery and corruption policy.

Recruitment

When recruiting individuals, their fitness and propriety is considered by the Compliance Officer as well as technical and, where relevant, managerial ability as part of initial due diligence/onboarding. Suitable background checks are made, and references are taken up.

Training

Compliance training relevant to conflicts of interest forms part of the annual training programme. The Compliance Officer ensures that appropriate training is devised and delivered.

Compliance and Procedures Manuals

Systems and controls are documented in the compliance and procedures manuals which are reviewed at least once a year to ensure they are fit for purpose. The reviewer is appointed by the partners.

Periodic Audit

The Compliance Officer oversees and executes a suitable monitoring programme at least annually to verify that the systems and controls are being applied.

Management Information

Management information relevant to identifying conflicts is reviewed by the Compliance Officer. Conflicts checks are undertaken when taking on new clients or accepting new business from existing clients.

Verifying Compliance

The principal means of verifying that these policies have been complied with will be an annual compliance review undertaken by the Compliance Officer/Deputy Compliance Officer. The Compliance Officer will have the responsibility of considering the review findings on an annual basis and reporting them formally to the partners.

Remuneration

The Firm's remuneration policy is designed to avoid rewarding behaviour that could lead to the disadvantage of the Firm's clients. The Firm maintains a remuneration policy statement which complies with SYSC 19G, [19F](#) and good risk management principles.

Conflicts Monitoring

Conflicts of interest are considered prior to taking on a new client as well as on an ongoing basis. In cases, where a conflict is identified, a decision is made on whether to proceed with the new client/business and if so, what additional measures to take. All such decisions are documented and are based on the nature of the conflict and the potential for the conflict of interest entailing a material risk of damage to the interest of one or more clients. The Compliance Officer keeps records of business approval and related correspondence. This is reviewed at each Firm management meeting and at least quarterly by the partners.

Confidentiality

No portion of this internal policy may be copied reproduced or shown to any individual who is not a staff member of the Firm without prior permission from the Compliance Officer.

Chinese Walls

Due to the nature of the organisation, the Firm does not currently operate any Chinese Walls. However, should this change in the future, including the addition of different investment teams and/or new clients, this position will be reviewed.

APPENDIX E: BEST EXECUTION POLICY

Order Execution Policy (OEP)

Introduction

The Firm is authorised and regulated by the Financial Conduct Authority (FCA). The Firm undertakes portfolio management for a range of clients with a mixture of strategies, and its permissions enable it to: advise on investments; arrange deals in investments; deal in investments as agent; make arrangements with a view to transactions in investments; and manage investments. All of these are in relation to Professional Clients (as defined by FCA rules).

As a portfolio/investment manager, the Firm makes the decisions to deal and subsequently approves and/or transmits decisions on behalf of its clients. Given the nature of the underlying investments, the Firm does not carry out dealing on its clients' behalf and does not deal on the Firm's own account. The Firm is an investment firm and as a result of the above permissions and activities undertaken, it falls under the Market in Financial Instruments Directives and Regulations (MiFID I, MiFID II and MiFIR) and the Alternative Investment Fund Managers Directive (AIFMD). Investment firms are required to ensure that they take all sufficient steps to deliver the best possible result when executing orders on behalf of clients, taking into account the execution factors, including the type of financial instrument to be executed. The best execution requirements are set out in the FCA Handbook under [COBS 11.2A](#) for MiFID investment management activities and [COBS 11.2](#) for AIFM activities.

When providing the service of portfolio management, the Firm will always act in the best interests of its clients when placing orders with other entities for execution. Those orders result from decisions by the Firm to deal in financial instruments on behalf of its clients.

Purpose

As required by FCA regulations, the Firm has developed this order execution policy (OEP) setting out the arrangements that the Firm has in place to comply with this best execution obligation in relation to investment dealing and managing carried out in the Firm's name, either for its own clients or for those of its advisory ARs. The OEP also includes the Firm's procedures for client order handling. The auxiliary purpose of setting out its OEP is in order that the Firm is able to communicate its policy to clients as appropriate and to obtain their consent. The rules apply to all financial instruments. However, how this is achieved and evidenced may vary depending on the type of financial instrument involved.

In particular the following details must be provided in good time prior to the provision of the service:

- An account of the relative importance the Firm assigns, in accordance with the execution criteria, to the execution factors, or the process by which the Firm determines the relative importance of those factors.
- A list of the [execution venues](#) on which the Firm places significant reliance in meeting its obligation to take all sufficient steps to obtain, on a consistent basis, the best possible result for the execution of client orders.
- A clear and prominent warning that any specific instructions from a client may prevent the Firm from taking the steps that it has designed and implemented in its execution policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

This will be done as part of the Firm's client agreement, i.e. investment management agreement.

Obligation

Any staff member with the authority and/or responsibility to place orders (i.e. the person with the client-dealing FCA Certification Function directly appointed by the Firm) must ensure that, in placing orders, they always act in the best interests of each client. This is achieved by following the approach set out in this policy, unless it can be demonstrated that a better outcome for that client in that transaction can be achieved via an alternative approach. In the event of employing such an alternative approach, the individual must record and report the circumstances to the Compliance Officer, who will consider whether amendments to this policy are required.

In so far as the Firm receives specific instructions from a client in relation to a transaction, those instructions supersede its OEP. Execution of such an order must comply with the client instructions and, where not covered by the client's instructions, with this OEP as appropriate in the context of the client's instructions.

The Firm may be involved in the transmission or execution of transactions in all types of financial instrument, according to the trading strategies followed. However, given the nature of its clients, at present these are traditionally in unlisted securities rather than securities listed on a stock exchange. In the unlikely event that any trading in listed securities takes place, when determining the approach to achieving best execution, traders must decide whether the Firm will execute the trade itself via direct market access (DMA), or whether the transaction will be transmitted to an executing broker/counterparty. This is the initial step in ensuring best execution is provided. The decision is taken with reference to the 'execution factors' and the 'execution criteria', set out in the following sections.

Execution Factors

The execution factors are the issues that the Firm must consider when undertaking to deliver best execution. They constitute the differing considerations that can be given precedence in the trading process, dependent on the individual situation. The Firm's OEP aims to set out the process for determining the relative importance of each of the execution factors in relation to each trade. The factors to be considered are:

- Price.
- Broker/counterparty's relevant expertise related to specific instruments traded.
- Speed of execution.
- Transaction costs, including fees and commissions.
- Likelihood of execution and settlement.
- Size of the order.
- Nature of the order.
- Market impact.
- Other considerations relevant to the order.

The relative importance to the client of each of the above will help to establish best execution. Although other execution factors may, in certain circumstances, be more important than price in obtaining best execution on a client by client basis, it is generally assumed that price will be the first priority.

Execution Criteria

If executing a client order, the Firm must take into account the following criteria for determining the relative importance of the execution factors:

- The characteristics of the client.
- The characteristics of the client order.
- The characteristics of the financial instruments that are the subject of that order.
- The characteristics of the execution venues to which that order can be directed.

Through the careful application of these execution criteria, in each instance the priority of each execution factor will be determined. This is set out in further detail below.

Use of Broker/Counterparty or DMA

A key aspect of delivering the best possible result to the client and therefore integral to the OEP is how the decision is taken as to whether to use a broker/counterparty or whether to use DMA. There is also another consideration within each of these 2 options as it is likely that there will be more than one suitable broker/counterparty/venue.

The Firm will consider the full cost and commission implications of each method where there are competing options. The Firm has no internal commission structure which could lead to influence by favouring one avenue at the expense of another – the charges for commission will reflect those charges the Firm incurs.

Selecting Which Venue or Broker/Counterparty

For each of the instruments listed in [Appendices i and ii](#) below, once any decision to deal has been taken, the choice must first be made as to whether to use a broker/counterparty or to execute the transaction directly with the market. This decision will be unique to the instrument and will be based upon the relative importance of the execution factors and execution criteria.

The circumstances of the transaction will determine the priority given to these execution factors. In considering that priority, the Firm will take account of the characteristics of the financial instrument, the market in question and the circumstances of the order, including any criteria peculiar to the fund. Generally the Firm will treat price as the highest priority with costs as the next factor to differentiate between markets and/or brokers/counterparties. However, where the Firm considers that there is any reduction in the likelihood of successful execution or settlement through a particular broker/counterparty or market, it will avoid trading through such an entity. Furthermore, in circumstances where price movement is rapid and any delay considered likely to be disadvantageous to the client, the Firm will treat speed as the priority factor, over and above considerations of price and cost.

Considerations Relating to Counterparty/Broker Expertise and Illiquid Stocks

In the circumstances where the nature of the stock in question presents challenges to successful execution due to obscurity, under-researched markets, illiquidity or small capitalisation, the Firm's policy would be to engage a broker/counterparty for such a transaction. In selecting the appropriate broker/counterparty the priority factor will be their expertise in relation to the stock in question on the grounds that this will result in the best overall execution in terms of achievement of execution and price, albeit that cost – especially the broker's commission – may not be the most competitive and is de-prioritised.

Considerations Relating to Commission Rates

The Firm's policy on broker commission rates is quite simply to select the broker/counterparty with the lowest rate. By direct extension, where commission can appropriately, without client disadvantage, be avoided altogether, it is the Firm's policy to deal in that way.

Considerations Relating to Large Transactions

Where a transaction is large in comparison to the normal market size for that stock, it would be the Firm's policy to use a broker/counterparty to manage the execution of the transaction. In these circumstances, the Firm's priority factor will normally be either the broker's/counterparty's ability to complete the transaction successfully or price. Consequently, the costs of transaction in terms of the broker's/counterparty's

commission will be attributed a relatively low priority, reflecting the importance of selection of a broker known to be expert at achieving execution in these circumstances.

Considerations Relating to Speed of Transactions

When the price of the contemplated stock is moving quickly, either as a result of news relating specifically to that issuer or because of wider market movement, speed of execution will usually be the priority factor. The achievement of speedy execution is achieved either through an appropriate DMA (although this is less likely), if available, or a large broker/counterparty known to be capable of achieving fast execution in the circumstances and in the stock in question. Second to speed will be successful execution, followed by cost. In these circumstances the price factor is inevitably de-prioritised.

Considerations Relating to Speed of Settlement

In the comparatively unusual situation that the speed of settlement is of material importance, that factor will be prioritised above costs of transaction and price. As a means of procuring speedy settlement, it will normally be necessary either to select an execution venue which provides fast settlement terms as standard, or to negotiate with a broker/counterparty for special settlement terms. Usually this latter route will result in the selection of a substantial and well capitalised broker/counterparty capable of providing such a service, notwithstanding that they might not be the most cost competitive. In exceptional circumstances, settlement may be delayed and this will be agreed between the Firm and the relevant broker/counterparty at the time of transmission. In these circumstances, the speed of settlement is inevitably de-prioritised.

Considerations Relating to Geographical Location

In the selection of broker/counterparty/venue, geographical location will sometimes be a material consideration. Where appropriate, in order to minimise the cost of transaction, it would be the Firm's policy to use a DMA to which it has access. In practical terms this will usually only apply in geographical locations where well-developed markets exist. In the circumstances of a stock of some obscurity, the use of a broker/counterparty with known expertise in relation to that stock, and wherever geographically it is traded, will usually be the preferred means to ensure successful execution and best price, but recognising that the broker/counterparty may not be competitive on cost.

In other circumstances, transactions will generally be arranged through a UK based broker/counterparty where the Firm is able to procure competitive commission rates and has reason to believe that the broker/counterparty is competent to execute the transaction in question, thus prioritising satisfactory execution, price and cost in that order.

Considerations Relating to Linked Transactions

Special consideration will be needed where 2 or more transactions are linked, i.e. when dealing in an instrument and placing a corresponding derivative transaction on the same underlying instrument, e.g. when holding a convertible bond and shorting the equity. In these circumstances the Firm's priority would be, by combining the transactions and placing them with a single broker/counterparty, to avoid unnecessary exposure to the client. In doing so, the Firm will, for the combined transaction, prioritise likelihood of successful combined execution, price for the convertible element, and overall cost. However, for the secondary equity transaction, the Firm would be prioritising price, which must match on both transactions, and speed, which is required in order to prevent the risk that price movement might remove the scope for the required matching, but de-prioritising costs, which may not be competitive if looked at in isolation, or which otherwise may not result in a successful hedge or offsetting position.

Considerations Relating to Collective Investment Schemes

The Firm does not normally deal for clients in the shares/units of hedge funds. If this changes, any variations on the Firm's best execution arrangements for such transactions will be detailed in this policy for any relevant client.

Details of Brokers/Counterparties and Venues

As set out above, the selection of venue/broker/counterparty will result from the prioritisation of the execution factors as appropriate for the individual transaction. [Appendices i and ii](#) set out the Firm's view of the various aspects of each venue/broker/counterparty that are ordinarily authorised for use. It is acceptable in some circumstances, as explained above, for price and/or cost not to be the highest factors. However, where the decision is taken that other factors have higher priority in the context of an individual transaction, a record is to be made, as part of the transaction record, of that decision and the rationale for it.

Any amendment to the broker/counterparty and venue details set out in the appendices are to be notified to the Compliance Officer.

Client Consent

The Firm is required by the regulations to obtain the consent of each client to the Firm's execution policy where relevant. Unless the client advises to the contrary, the Firm will deem that consent to have been provided within the relevant investment management agreement.

Additionally, before the Firm is permitted by the regulations to execute transactions on behalf of clients outside of a regulated market or a multilateral trading facility (MTF), the Firm must receive from them their prior express consent which must take the form of positive confirmation, usually their signature in acceptance of the summary OEP.

Changes to This OEP

In the event that the Firm amends this OEP in such a way as to bring about a material change, it is the responsibility of the Compliance Officer to ensure that the Firm notifies its clients of that change. A material change is one where its disclosure is necessary to enable clients to make a properly informed decision about whether to continue utilising the Firm's services. Immaterial changes will not be the subject of a notification.

Client Instructions

As set out above, in the event that specific instructions are received from a client in respect of the execution of a transaction, the Firm is deemed to have complied with its best execution obligations by following those specific instructions. Clients must not be induced to give specific instructions in order to remove the need for the provision of best execution.

Evidence of Best Execution

The Firm is obliged by the FCA rules to be able to demonstrate to its clients, at their request, that it has executed transactions in accordance with this OEP. It is therefore essential that transaction records provide adequate details for this purpose.

Monitoring and Review of Execution Arrangements and Policy

To ensure that this OEP remains appropriate and in line with the requirements, the Compliance Officer will ensure that it is reviewed annually by the Governing Body of the Firm. A review will also take place in the event of any change of circumstances which may affect the Firm's ability to achieve best execution.

This will include a review of available execution venues to confirm that the venues continue to be appropriate for consideration in achieving best overall results on execution of orders.

It will also be a review of access providers to determine whether they continue to provide access on appropriate terms. Each provider would be assessed and those falling below the necessary standard are required to improve their performance or cease to be used by the Firm.

The dates and details of any changes to the best execution policy, execution venues or brokers/counterparties will be documented by the Compliance Officer.

If relevant, the Firm will undertake quarterly compliance monitoring to determine whether any transactions executed within the scope of this policy have been conducted in accordance with the policy.

Client Order Handling

The Firm must comply with FCA rules regarding the handling of client orders. These rules include provisions on timing, allocation, aggregation and record-keeping. As general principles, relevant members of staff must ensure that all client orders are:

- Executed expeditiously upon receipt.
- Accurately recorded and allocated.
- Carried out sequentially and promptly.

Order Allocation and Aggregation

[COBS 11.3.7A UK](#) requires the Firm to have an order allocation policy (OAP) to ensure the fair allocation of aggregated orders and transactions between clients. A description of the Firm's OAP is detailed below.

- The Firm is not authorised to deal on its own account; it may only place deals on behalf of its clients and in accordance with its personal account dealing rules.
- If the Firm has aggregated 2 client orders, the executed trades will be allocated in accordance with the Firm's allocation procedure. This procedure requires trades to be allocated based on AUM in each account at the time of the trade.
- Where relevant, client mandates should also be taken into account depending upon any different agreed strategies in each underlying investment management mandate and investment managers must record any reasons for non-pro-rata allocation.
- These procedures are designed to ensure that when the Firm aggregates a client order with another client's order and subsequently allocates the executions, it does so consistently in accordance with the FCA rules covering:
 - **Timely allocation:** Allocation will be promptly done by the broker when relevant.
 - **Fair allocation:** All clients will receive the same executed price or a volume weighted average where there is a series of executions.
 - **Re-allocation:** Any errors in allocation will be promptly corrected so as to not benefit any one client above another.
 - **Record-keeping:** Full documentation is available for all allocations and also, importantly, situations where the Firm's usual policy was not followed. These records are retained for a period of at least 5 years from the date of the transaction.

Failed Trades and Dealing Errors

In the event the Firm identifies a failed trade (e.g. where the transaction has failed as a consequence of a systemic failure), and it is the fault of the Firm or a dealing error (e.g. where the trade was executed incorrectly), the Firm will undertake to ensure the clients affected are not disadvantaged. In the event that a loss is incurred as a result of correcting the failed trades or dealing error, these losses will be met from the Firm's own resources. In the event that a profit occurs as a consequence of this failure, these profits will be

passed onto the relevant client(s). If relevant, the Firm will maintain a failed trades and dealing errors register, which is kept and maintained by the Compliance Officer.

The Firm will not keep a compliance record on late settled trades that do settle as per the original instructions (e.g. trade breaks) as these will not involve any loss. However, if there is a loss or ultimately the trade break 'fails', then the procedure noted above will be followed.

Client Limit Orders

The Firm does not receive dealing instructions from clients and will not, therefore, accept client limit orders. The Firm may place limit orders, with brokers, on behalf of clients. These limit orders will not, where brokers are so instructed, be disclosed to the market as part of the pre-trade transparency provisions unless the Firm has given discretion to the broker in this regard, in which case the broker may choose to disclose them but only where the broker identifies it can only obtain best execution by doing so.

Record-Keeping: Client Orders and Transactions

COBS 11.5A.2 UK requires the Firm to keep records of client orders and decisions to deal on relevant investments. COBS 11.5A.3/4/5 UK sets out the information that must be recorded and retained on record. The Firm acts as investment manager (with discretion), therefore, the following information must be recorded at the time a deal is transmitted to a broker or executed with a venue:

- Date and time.
- The name or designation of the client.
- Any person acting on behalf of the client.
- Buy/sell indicator.
- Financial instrument's name and code.
- Unit price.
- Currency.
- Quantity.
- Validity period.
- Unit notation.
- Type of order.
- Allocation between accounts (if appropriate).

Where relevant, the Firm will keep records demonstrating compliance with above requirements for at least 5 years.

Glossary

Client: The fund or segregated account rather than the underlying investors within the fund.

Direct market access (DMA): DMA tools permit buy-side traders to access liquidity pools and multiple execution venues directly, without intervention from a broker/counterparty's trading desk.

Execution venue: An execution venue means an RM, MTF, a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a non-EEA country to the functions performed by any of the foregoing.

Multilateral trading facility (MTF): An MTF is a system that brings together multiple parties that are interested in buying and selling financial instruments and enables them to do so. These systems can be crossing networks or matching engines that are operated by an investment firm or a market operator. Instruments may include shares, bonds and derivatives. This is done within the MTF operator's system. The MTF operator is required to allow the interests of the buyers and sellers to interact, so that trades come

about without unfairly intervening in the interaction of the interests. The description of MTF excludes bilateral systems where an investment firm enters into one side of a transaction effected using the system.

Organised trading facility (OTF): (From Article 4(1)(23) of MiFID II) A multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of this Directive.

Regulated market (RM): An RM is a multilateral system operated and/or managed by a market operator, which brings together, or facilitates the bringing together of, multiple third-party buying and selling interests in financial instruments - in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of MiFID.

Appendix i – Table of Brokers/Counterparties (at August 2022)

(NB. As at the date of the Manual, due to the nature of management activities undertaken – focusing on private equity fund management and unlisted securities – no brokers are currently listed).

Name of Broker or Counterparty	Location	Commission Charged	Speciality	Undertaken to Provide Best Execution?	Other Cost Implications?

Appendix ii – Table of Venues (at August 2022)

(NB. As at the date of the Manual, due to the nature of management activities undertaken – focusing on private equity fund management and unlisted securities – no brokers currently listed).

Venue	Abbreviation	Location	Instruments Traded	Specialisation	Regulated? By?	Trading Hours (GMT)

APPENDIX F: PERSONAL ACCOUNT DEALING

Personal Account Dealing Requirements

In order to comply with the FCA rules on personal account transactions, the Firm requires that all ARs put in place the following processes:

- Maintain a restricted list where relevant securities are added as appropriate in cases of conflicts.
- Maintain an insider list as per Section 4.5.3 of this Manual.
- Ensure the nominated senior manager pre-clears all personal account dealing and that evidence of pre-clearance is retained.
- Set up surveillance reports to monitor staff trading.
- Provide commentary on surveillance in each monthly narrative report.

The senior manager at the AR should raise any breaches or concerns with the Compliance Officer at the Firm without delay.

APPENDIX F1: PERSONAL ACCOUNT DEALING – ARs

Personal Account Dealing Policy for ARs

In order to comply with the FCA rules on personal account transactions, the Firm requires that all staff members of ARs observe the following:

Prior Permission to Deal

A staff member must request prior written permission from the AR's nominated senior manager to buy or sell individual securities for their own personal account or the account of an associate. It is the individual's responsibility to check the AR's restricted list (if applicable) to ensure they do not trade in restricted list securities. The AR's nominated senior manager will additionally check the request against the insider list. A staff member must not trade until approval in writing has been given by the nominated senior manager for that specific trade request. If permission is given, the trade must be executed within 2 business days. After 2 days the permission expires and a new request must be submitted.

Where a general or specific permission is given for a transaction, the other requirements set out below in this notice (e.g. reporting) still need to be complied with. Staff members will need to ensure they do not contravene the dealing or disclosure restrictions in the insider dealing provisions of the UK Market Abuse Regulation, Criminal Justice Act 1993 or market abuse provisions in [MAR 1](#).

Rights Issues, Takeovers Etc

Please note that this policy includes making any formal or informal offer to buy or sell, taking up rights on a rights issue, exercising conversion or subscription rights and exercising an option.

This policy also covers buying or selling an investment under any offer, including a takeover or tender offer, which is made to the public or all (or substantially all) the holders of the investment concerned.

Trustees, Personal Representatives and Agents

The policy also extends to dealings by a staff member:

- As a trustee of a trust or as a personal representative of an estate, in which they or an associate of theirs has a significant beneficial interest.
- As a trustee of any other trust or a personal representative of any other estate, unless they are relying entirely on the advice of another person (such as a broker or solicitor).
- For the account of another person unless they are dealing in their professional role as a staff member of the AR.

Note: 'associate' includes any person (including members of their family, companies or partnerships) whose business or domestic relationship would give rise to a community of interest between the staff member and the associate.

General Exemptions

The following transactions are exempt from this policy and pre-clearance is not required:

- Personal transactions effected under a discretionary management service whereby the staff member has no input into the transactions executed.

- Personal transactions in units or shares in collective undertakings that comply with the UK's UCITS regime or are subject to supervision under UK law, where the person for whose account the transaction is being affected is not involved in the management of that undertaking.
- Personal transactions in life, pension and insurance policies.

Counselling and Procuring

If a staff member is precluded by the above from entering into any transaction, they cannot:

- Advise or cause any other person to enter into such a transaction.
- Communicate any information or opinion to any other person if they know, or have a reason to believe, that the other person will, as a result, enter into such a transaction or cause or advise someone else to do so.

Reporting of Transactions

Staff members must forthwith report to the AR's nominated senior manager in writing any purchase or sale of an investment which they enter into. If, however, they have made arrangements for the AR's nominated senior manager to receive a copy of the contract note (or similar report) in respect of the transaction, they do not have to report it to us.

Dealing Contrary to a Client's Interest

Staff members must not deal in an investment at a time or in a manner which they know is likely to have a direct adverse effect on the particular interests of any client. However, staff members do not breach this restriction merely by entering into a transaction in an investment which they know will probably cause a fall in the price of an investment owned by a customer or a rise in the price of an investment in which a customer has a short position.

APPENDIX F2: PERSONAL ACCOUNT DEALING – FIRM

Personal Account Dealing Policy for the Firm

In order to comply with the FCA rules on personal account transactions, the Firm requires that all staff members observe the following:

Prior Permission to Deal

A staff member must request prior written permission from the Compliance Officer to buy or sell individual securities for their own personal account or the account of an associate. It is their responsibility to check the restricted list to ensure they do not trade in restricted list securities. The Compliance Officer will check the request against its own insider lists and those of its ARs.

By the nature of the work involved, all staff members of the Firm are regarded as super-insiders.

A staff member must not trade until approval in writing has been given by the Compliance Officer for that specific trade request. If permission is given, the trade must be executed within 2 business days. After 2 days the permission expires and a new request needs to be submitted.

Where a general or specific permission is given for a transaction, the other requirements set out below in this notice (e.g. reporting) still need to be complied with. Staff members need to ensure they do not contravene the dealing or disclosure restrictions in the insider dealing provisions of the UK Market Abuse Regulation, Criminal Justice Act 1993 or market abuse provisions in [MAR 1](#).

Rights Issues, Takeovers Etc

Please note that this policy includes making any formal or informal offer to buy or sell, taking up rights on a rights issue, exercising conversion or subscription rights and exercising an option.

This policy also covers buying or selling an investment under any offer, including a takeover or tender offer, which is made to the public or all (or substantially all) the holders of the investment concerned.

Trustees, Personal Representatives and Agents

The policy also extends to dealings by a staff member:

- As a trustee of a trust or as a personal representative of an estate, in which they or an associate of theirs has a significant beneficial interest.
- As a trustee of any other trust or a personal representative of any other estate, unless they are relying entirely on the advice of another person (such as a broker or solicitor).
- For the account of another person unless they are dealing in their professional capacity as a staff member of the Firm.

Note: 'associate' includes any person (including members of their family, companies or partnerships) whose business or domestic relationship would give rise to a community of interest between the staff member and the associate.

General Exemptions

The following transactions are exempt from this policy and pre-clearance is not required:

- Personal transactions effected under a discretionary management service whereby the staff member has no input into the transactions executed.
- Personal transactions in units or shares in collective undertakings that comply with the UK's UCITS regime or are subject to supervision under UK law, where the person for whose account the transaction is being affected is not involved in the management of that undertaking.
- Personal transactions in life, pension and insurance policies.

Counselling and Procuring

If a staff member is precluded by the above from entering into any transaction, they cannot:

- Advise or cause any other person to enter into such a transaction.
- Communicate any information or opinion to any other person if they know, or have a reason to believe, that the other person will, as a result, enter into such a transaction or cause or advise someone else to do so.

Reporting of Transactions

Staff members must forthwith report to the Compliance Officer in writing any purchase or sale of an investment which they enter into. If, however, they have made arrangements for the Compliance Officer to receive a copy of the contract note (or similar report) in respect of the transaction, they do not have to report it to the Compliance Officer.

Dealing Contrary to a Client's Interest

Staff members must not deal in an investment at a time or in a manner which they know is likely to have a direct adverse effect on the particular interests of any client. However, staff members do not breach this restriction merely by entering into a transaction in an investment which they know will probably cause a fall in the price of an investment owned by a customer or a rise in the price of an investment in which a customer has a short position.

APPENDIX G: TREATING CUSTOMERS FAIRLY

Treating Customers Fairly – Statement of Objectives

Overview

The partners of the Firm are committed to ensuring that they meet the requirements of Principle 6 of the FCA's Principles for Business where a firm must pay due regard to the interests of its customers (Professional Clients) and to treat them fairly.

Principle 6 applies in all areas of the Firm's day-to-day business activities. The Firm recognises that customers need to be confident that they will receive fair treatment no matter what size of firm they do business with. The aim of the FCA's Treating Customers Fairly (TCF) regime is to encourage a change in behaviour of the financial services sector to deliver and maintain improved outcomes for customers. The appropriate firm culture is central to achieving this.

The Firm, and therefore its ARs, are not authorised to undertake activities for Retail Clients, the Firm is permitted only to undertake activities for Professional Clients and Eligible Counterparties. The FCA's TCF focus and stated specific requirements in relation to Retail Clients do not apply to the Firm. However, the Firm is obliged to treat Professional Clients and Eligible Counterparties fairly and deliver the TCF outcomes ascribed to Principle 6. This Statement sets out how the Firm will achieve this.

Objectives

The TCF initiative is a continuous process, which has been engrained in the FCA's Principles and regulations for several years now. As such, it is expected to be embedded as 'business as usual' with firms operating an appropriate culture with full senior management support/buy-in and achieving good customer outcomes. This initiative complements the regulator's approach to good-outcomes-based regulation, whereby TCF must be included in all relevant business decisions and relevant TCF management information must be regularly reviewed by the Firm to demonstrate fair treatment of its customers but also identify any emerging risks to good customer outcomes.

The Firm acknowledges that the TCF regime is wider than its obligations contained in the FCA Handbook of rules and guidance. The Firm is committed to considering every possible situation both regulated and unregulated, which works within the spirit of Principle 6 and assessing whether compliance with specific rules is always sufficient to deliver the required fair treatment of customers.

Although not part of the FCA rules, the FCA have provided guidance as to the outcomes that firms should look to achieve for each and every customer:

- Fair treatment of customers is central to the corporate culture.
- Products and services marketed and sold by the Firm and its ARs are designed to meet the needs of the target market and appropriate customers/LP investors are targeted accordingly.
- Customers/LP investors are provided with fair, clear and not misleading information and kept informed appropriately before, during and after the point of sale.
- Suitable advice is given to customers and reflects their needs, priorities and circumstances (no advice may be provided for LP investors).
- Products and services perform as customers/LP investors have been lead to expect.
- Unreasonable post-sale barriers are not imposed when customers/LP investors wish to change product, switch provider, submit a claim or make a complaint, where not prevented from doing so by contractual obligations or legislation.

Following the introduction of the Consumer Rights Act 2015, the FCA updated previous guidance on unfair contract terms for contracts entered into on or after 1 October 2015. (The Unfair Terms Regulations will continue to apply to contracts entered into before 1 October 2015). The FCA's [Unfair Contract Terms Regulatory Guide \(UNFCOG\)](#) provides guidance in relation to potentially unfair terms in contracts that could render the contract, or certain elements of it unenforceable. More information regarding unfair contract terms and the Consumer Rights Act can be found on the FCA's website:.

<https://www.fca.org.uk/firms/unfair-contract-terms>

In adopting the TCF principle, the Firm recognises that the fair treatment of its customers is paramount and is committed to adding value to the services offered by aiming to:

- Protect the interests of customers at each stage of the product/service cycle, from promotion right through to after sales service which is proportionate to the nature, scale and complexity of the business.
- Meet, where possible, the unique needs of customers by offering a transparent, efficient and professional service and consistently reviewing its service to identify areas for enhancement or improvement.
- Ensure the Firm's senior management takes responsibility for identifying risks, having appropriate systems and controls in place to mitigate such risks, and receiving management information that enables them to assess their performance against the Firm's TCF objectives.

Financial Promotion and Marketing

In practical terms TCF in marketing means ensuring that:

- The Firm, as a marketer of the funds, complies with the Principles of the [RPPD](#) (Responsibilities of Providers and Distributors for the Fair Treatment of Customers (RPPD)).
- That the Firm has considered its obligations (or those of its ARs) under the FCA's Product Governance Sourcebook (PROD) since January 2018 subject to its role either as a distributor and/or a manufacturer of a product.
- Promotional material in respect of such funds marketed to customers by the Firm by other Authorised Persons, is fair, clear and not misleading.
- Promotional material is compliant, jargon free and appropriately targeted and that there are appropriate processes in place for approving financial promotions of the Firm's or its AR's products and services.
- The Firm's business partners are fully aware of their responsibilities towards the TCF Principles and Objectives when marketing the Firm's products and services.
- The Firm's business partners are fully compliant with the TCF Principles and Objectives when dealing with their customers both before and after and non-advised sales/services have been completed.

Complaints

The Firm will ensure that any complaint which the Firm, or any third-party service provider, may receive is assessed fairly, promptly and impartially and in line with the Firm's complaints procedures. The Firm will also ensure it respects any rights an eligible complainant (as defined by DISP 2.7) may have to escalate the complaint where they remain dissatisfied including to any independent body that the complainant is eligible to refer the matter to and will co-operate fully, where appropriate, with the courts or any alternative dispute resolution provider the complainant decides to refer their unresolved complaint to, where permitted, after exhausting the Firm's own complaints procedure.

Senior Management

Senior management will define and communicate the Firm's TCF values to all staff and particularly staff dealing directly with customers or undertaking marketing activities of the Firm's products and services.

As part of both internal Firm monitoring and routine annual monitoring of AR firms, assessment of how the Firm and its ARs are complying with TCF will be included routinely. This will include consideration of the 6 TCF outcomes. Should any gaps or weaknesses be identified, recommendations will be made with a view to improvements that should be made to policies, systems and controls and procedures, how these should be implemented and who should be responsible.

APPENDIX H: MARKET ABUSE EXAMPLES

Examples of Market Abuse

Action/Event	Finding
A passenger on a train passes a burning factory and calls their broker and tells them to sell shares in the factory's owner.	Not market abuse (insider dealing) as the passenger will be acting on information which is generally available, since it is information which has been obtained by legitimate means through observation of a public event.
A director of a company, whilst in possession of inside information concerning the company, instructs a staff member of that company to buy shares in that company.	The offence of encouraging market abuse has been committed regardless of whether the staff member actually buys the shares.
A person recommends or advises a friend to engage in behaviour which, if they themselves engaged in it, would amount to market abuse.	The offence of encouraging market abuse has been committed.
X, a director at B PLC has lunch with a friend, Y. X tells Y that their company has received a takeover offer that is at a premium to the current share price at which it is trading. Y enters into a spread bet priced, or valued by, reference to the share price of B PLC based on their expectation that the price in B PLC will increase once the takeover offer is announced.	Market abuse (improper disclosure by X and insider dealing by Y) has been committed.
A staff member at B PLC obtains the information that B PLC has just lost a significant contract with its main customer. Before the information is announced over the regulatory information service the staff member, whilst being under no obligation to do so, sells their shares in B PLC based on the information about the loss of the contract.	Market abuse (insider dealing) has been committed.
X, a broker for A LTD finds a confidential business plan on a train for a firm, B PLC, in which X has placed a small order to buy stock. The business plan states that B PLC is considering an offer to merge with a US competitor. X immediately increases their buy order in B PLC.	Market abuse (insider dealing) has been committed.
Before the official publication of LME stock levels, a metals trader learns (from an insider) that there has been a significant decrease in the level of LME aluminium stocks. This information is routinely made available to users of that prescribed market. The trader buys a substantial number of futures in that metal on the LME before the information is made public, based upon their knowledge of the significant decrease in aluminium stock levels.	Market abuse (insider dealing) has been committed.

Action/Event	Finding
A dealer on the trading desk of a firm dealing in oil derivatives accepts a very large order from a client to acquire a long position in oil futures deliverable in a particular month. Before executing the order, the dealer trades for the firm and on their personal account by taking a long position in those oil futures, based on the expectation that they will be able to sell them at profit due to the significant price increase that will result from the execution of their client's order.	Both trades will be market abuse (insider dealing).
Front running/pre-positioning: X personally buys shares in a company in advance of executing a large order from a client to buy the same shares. The large order pushes the price of the shares higher at which point X sells their shares.	Market abuse (insider dealing) has been committed.
Buying or selling qualifying investments at the close of the market with the effect of misleading investors who act on the basis of closing prices, other than for legitimate reasons.	Market abuse (manipulating transactions) of a type involving false or misleading impressions.
Wash trades – that is, a sale or purchase of a qualifying investment where there is no change in beneficial interest or market risk, or where the transfer of beneficial interest or market risk is only between parties acting in concert or collusion, other than for legitimate reasons.	Market abuse (manipulating transactions) of a type involving false or misleading impressions.
Painting the tape – that is, entering into a series of transactions that are shown on a public display for the purpose of giving the impression of activity or price movement in a qualifying investment.	Market abuse (manipulating transactions) of a type involving false or misleading impressions.
Entering orders into an electronic trading system, at prices which are higher than the previous bid or lower than the previous offer, and withdrawing them before they are executed, in order to give a misleading impression that there is demand for or supply of the qualifying investment at that price.	Market abuse (manipulating transactions) of a type involving false or misleading impressions.
Transactions or orders to trade by a person, or persons acting in collusion, that secure a dominant position over the supply of or demand for a qualifying investment and which have the effect of fixing, directly or indirectly, purchase or sale prices or creating other unfair trading conditions, other than for legitimate reasons.	Market abuse (manipulating transactions) involving securing the price of a qualifying investment.
Transactions where both buy and sell orders are entered at, or nearly at, the same time, with the same price and quantity by the same party, or different but colluding parties, other than for legitimate reasons, unless the transactions are legitimate trades carried out in accordance with the rules of the relevant trading platform (such as crossing trades).	Market abuse (manipulating transactions) involving securing the price of a qualifying investment.

Action/Event	Finding
Entering small orders into an electronic trading system, at prices which are higher than the previous bid or lower than the previous offer, in order to move the price of the qualifying investment, other than for legitimate reasons.	Market abuse (manipulating transactions) involving securing the price of a qualifying investment.
Taking advantage of occasional or regular access to the traditional or electronic media by voicing an opinion about a qualifying investment (or indirectly about its issuer) whilst having previously taken positions on that qualifying investment and profiting subsequently from the impact of the opinions voiced on the price of that instrument, without having simultaneously disclosed that conflict of interest to the public in a proper and effective way.	Market abuse (manipulating devices).
A transaction or series of transactions that are designed to conceal the ownership of a qualifying investment, so that disclosure requirements are circumvented by the holding of the qualifying investment in the name of a colluding party, such that disclosures are misleading in respect of the true underlying holding. These transactions are often structured so that market risk remains with the seller. This does not include nominee holdings.	Market abuse (manipulating devices).
Pump and dump – that is, taking a long position in a qualifying investment and then disseminating misleading positive information about the qualifying investment with a view to increasing its price.	Market abuse (manipulating devices).
Trash and cash – that is, taking a short position in a qualifying investment and then disseminating misleading negative information about the qualifying investment, with a view to driving down its price.	Market abuse (manipulating devices).
Parties, who have been allocated qualifying investments in a primary offering, colluding to purchase further tranches of those qualifying investments when trading begins, in order to force the price of the qualifying investments to an artificial level and generate interest from other investors, and then sell the qualifying investments.	Market abuse (manipulating transactions) involving securing the price of a qualifying investment.
Transactions or orders to trade employed so as to create obstacles to the price falling below a certain level, in order to avoid negative consequences for the issuer, e.g. a downgrading of its credit rating.	Market abuse (manipulating transactions) involving securing the price of a qualifying investment.
Trading on one market or trading platform with a view to improperly influencing the price of the same or a related qualifying investment that is traded on another prescribed market.	Market abuse (manipulating transactions) involving securing the price of a qualifying investment.

Action/Event	Finding
Disclosure of inside information by the director of an issuer to another in a social context.	Market abuse (unlawful disclosure) has been committed.
Selective briefing of analysts by directors of issuers or others who are persons discharging managerial responsibilities.	Market abuse (unlawful disclosure) has been committed.
X, a director at B PLC has lunch with a friend, Y, who has no connection with B PLC or its advisers. X tells Y that their company has received a takeover offer that is at a premium to the current share price at which it is trading.	Market abuse (unlawful disclosure) has been committed.
X, an analyst employed by an investment bank, telephones the finance director at B PLC and presses for details of the profit and loss account from the latest unpublished management accounts of B PLC.	The offence of encouraging market abuse (unlawful disclosure) has been committed.
X, a director at B PLC, has lunch with a friend, Y. X tells Y that their company has received a takeover offer. Y places a fixed odds bet with a bookmaker that B PLC will be the subject of a bid within a week, based on their expectation that the takeover offer will be announced over the next few days.	May amount to market abuse (misuse of information).
<p>Informal, non-contractual icing of qualifying investments by the manager of a proposed issue of convertible or exchangeable bonds, which are to be the subject of a public marketing effort, with a view to subsequent borrowing by it of those qualifying investments based on relevant information about the forthcoming issue:</p> <ul style="list-style-type: none"> • Which is not generally available. • Which a regular user would reasonably expect to be disclosed to users of the relevant prescribed market. • Where this has the effect of withdrawing those qualifying investments from the lending market in order to lend it to the issue manager in such a way that other market participants are disadvantaged. 	May amount to market abuse (misuse of information).
A staff member of B PLC is aware of contractual negotiations between B PLC and a customer. Transactions with that customer have generated over 10% of B PLC's turnover in each of the last 5 financial years. The staff member knows that the customer has threatened to take its business elsewhere, and that the negotiations, whilst ongoing, are not proceeding well. The staff member, whilst being under no obligation to do so, sells their shares in B PLC based on their assessment that it is reasonably likely that the customer will take their business elsewhere.	May amount to market abuse (misuse of information).
A trader simultaneously buys and sells the same qualifying investment (that is, trades with themselves) to give the appearance of a legitimate transfer of title or risk (or both) at a price outside the normal trading range for the qualifying	May amount to market abuse (manipulating transactions).

Action/Event	Finding
investment. The price of the qualifying investment is relevant to the calculation of the settlement value of an option. They do this whilst holding a position in the option. Their purpose is to position the price of the qualifying investment at a false, misleading, abnormal or artificial level, making them a profit or avoiding a loss from the option.	
A trader buys a large volume of commodity futures, which are qualifying investments, (whose price will be relevant to the calculation of the settlement value of a derivatives position they hold) just before the close of trading. Their purpose is to position the price of the commodity futures at a false, misleading, abnormal or artificial level so as to make a profit from their derivatives position.	May amount to market abuse (manipulating transactions).
A trader holds a short position that will show a profit if a particular qualifying investment, which is currently a component of an index, falls out of that index. The question of whether the qualifying investment will fall out of the index depends on the closing price of the qualifying investment. They place a large sell order in this qualifying investment just before the close of trading. Their purpose is to position the price of the qualifying investment at a false, misleading, abnormal or artificial level so that the qualifying investment will drop out of the index so as to make a profit.	May amount to market abuse (manipulating transactions).
A fund manager's quarterly performance will improve if the valuation of their portfolio at the end of the quarter in question is higher rather than lower. They place a large order to buy relatively illiquid shares, which are also components of their portfolio, to be executed at or just before the close. Their purpose is to position the price of the shares at a false, misleading, abnormal or artificial level.	May amount to market abuse (manipulating transactions).
A trader with a long position in bond futures buys or borrows a large amount of the cheapest to deliver bonds and either refuses to re-lend these bonds or will only lend them to parties they believe will not re-lend to the market. Their purpose is to position the price at which those with short positions have to deliver to satisfy their obligations at a materially higher level, making them a profit from their original position.	May amount to market abuse (manipulating transactions) – abusive squeeze.
A person posts information on an internet bulletin board or chat room which contains false or misleading statements about the takeover of a company whose shares are qualifying investments and the person knows that the information is false or misleading.	May amount to market abuse (dissemination).
A person responsible for the content of information submitted to a regulatory information service submits information which is	May amount to market abuse (dissemination).

Action/Event	Finding
false or misleading as to qualifying investments and that person is reckless as to whether the information is false or misleading.	
The movement of physical commodity stocks, which might create a misleading impression as to the supply of, or demand for, or price or value of, a commodity or the deliverable into a commodity futures contract.	Market abuse (misleading behaviour) if they give, or are likely to give, a regular user of the market a false or misleading impression.
The movement of an empty cargo ship, which might create a false or misleading impression as to the supply of, or the demand for, or the price or value of a commodity or the deliverable into a commodity futures contract.	Market abuse (misleading behaviour) if they give, or are likely to give, a regular user of the market a false or misleading impression.
Traders at one firm share confidential information about their FX fix orders with traders at other firms via chat rooms enabling the traders to align their trading strategies to move the fix in their preferred direction so that the rate at which the firm had agreed to sell a particular currency was higher than the average rate at which it had bought that currency ensuring a profit for the firm.	Market abuse (manipulation of benchmark) if a trading strategy creates a false or misleading impression as to the price or value of an investment, or the appropriate rate for a transaction, in the knowledge that the impression may affect the setting of a relevant benchmark.

APPENDIX I: RUMOURS POLICY

Rumours Policy

Firm's policy and procedures on handling and dissemination of misleading market rumours.

The FCA has made it clear they intend to prosecute anyone involved in market abuse. In broad terms this will mean taking action against anyone who:

- Knowingly disseminates false or misleading information.
- Initiates transactions designed to give a false or misleading impression.
- Otherwise attempts to distort the market in a security.

In most cases, such behaviour is likely to breach the Law in relation to market conduct, including the use of 'inside information', as well as the FCA's regulations and requirements where these apply. Suspicious behaviour in relation to market abuse may be subject to lengthy investigations and severely damaging to the reputation of the Firm.

Partners, staff, contractors and ARs (collectively, for this policy only, 'staff members') should therefore ensure that their conduct in relation to any investment recommendations and transactions (which includes personal account dealing), and their activities in general as a staff member of the Firm are at all times above suspicion and in accordance with the standards and requirements of the Firm, the marketplace and the regulatory authorities and otherwise beyond reproach. This includes any action, dissemination and open discussion with regard to market rumours.

Policy and Procedure

If a staff member therefore suspects that a rumour coming into their possession constitutes either an attempt to mislead the market, or genuine and specific information that the market would react to if made public, they must contact the Compliance Officer and follow their instructions in this regard, before doing anything else.

The Firm's policy in regard to market rumour is as follows.

If a staff member believes or suspects that they have been made party to a rumour or communication that may have been intended to mislead them, the Firm and/or other market participants, and/or to distort the market in a qualifying investment, they must adhere to the following instructions and guidelines:

- If the staff member suspects that Market Abuse is intended, they must **inform the Compliance Officer without delay**, making a confidential written record of:
 - How they received the information or rumour (telephone, email, informal contact etc).
 - Date and time they received it.
 - Name of the individual and/or entity responsible for the communication.
 - A summary of the details of the information or rumour as communicated to them.
 - Any aspect of the communication that they find unusual and/or has led them to be suspicious in relation to possible market abuse.
- They must not discuss the matter with anyone else unless the Compliance Officer instructs them to do so.
- In no way should they attempt to pass, spread, publicise or otherwise disseminate a suspicious communication or rumour to any other person.
- A staff member must not engage in any transaction, advice or recommendation for themselves, the Firm or any client of the Firm, on the basis of the communication or rumour.

- If they require to transact in/or advise on any security or investment that is the basis of a reported communication or rumour, they must seek prior authorisation from the Compliance Officer.
- The Compliance Officer will, immediately, place the qualifying investment on the Firm's restricted list.

Determining What Constitutes a Rumour That May Also Constitute Market Abuse

The Firm will apply the principles below on a global basis irrespective of the rules and the Law that may, or may not, apply to staff members and the Firm. The following will apply to all publicly quoted investments and any derivatives and related OTC financial instruments that invest in or comprise publicly quoted investments ('a qualifying investment').

Typically, the practices that are likely to come under suspicion or investigation in relation to market abuse, in the context of rumour, include:

Manipulating Devices

- 'Pump and dump' (taking a long position and maliciously spreading unfounded information with a view to increasing the share price).
- 'Trash and cash' (taking a short position and maliciously spreading unfounded information with a view to driving down the share price).

Dissemination

- Knowingly spreading false or misleading information through the media, e.g. internet bulletin boards.

Misleading Behaviour

- Knowingly spreading misleading information, and then dealing on that false or misleading information.

When Opinion Generally Becomes Unacceptable Market Rumour

Law enforcement agencies and regulatory authorities are fully aware that market sentiment and opinion represents a significant and mostly legitimate element in the day-to-day movement of securities and indices. The key to discriminating between what is generally acceptable and abusive market practice in this context is in the underlying intention or behaviour behind a rumour. Market participants will be judged on these matters according to the following standards:

- Is the behaviour likely to give a regular user of the market a false or misleading impression as to the supply of, demand for or price or value of a qualifying investment.
- Would the behaviour be, or is it likely to be, regarded by a regular user of the market as behaviour that would distort, or would be likely to distort, the market in such an investment.
- Is the behaviour likely to be regarded by a regular user of the market as failure (or recklessness) on the part of the person concerned to observe the standard of behaviour reasonably expected of a person in their position in relation to the market?

Civil and Criminal Offences

Staff members should be particularly alert to any possibility of potentially false or 'insider' rumours being circulated where the company or security involved is subject to speculation or trading volatility, often but not exclusively in advance of an expected announcement or a possible takeover bid.

Staff members should be aware that when markets and trading conditions are themselves subject to unusual or unexpected volatility (such as during the COVID-19 pandemic), they should automatically

assume, by way of precaution, that the potential for the circulation of false rumours, and the possible occurrence of other forms of market abuse, are likely to increase and be more widespread.

Where the security or investment concerned is listed on a prescribed market, staff members should be particularly clear that the following behaviour may incur both civil and criminal penalties in relation to market abuse and/or insider trading:

The test of a person's behaviour is whether a regular user of the market would consider that:

- Information known to them, but not generally available, is likely to have a relevant material impact on transactions in the securities that are the subject of the information.
- Their behaviour in the market as a consequence falls below the standard that would be expected of a person in their position.

Passing on Rumours: Guidelines and Precautions

If staff members have no reason to believe that the information is false, intended to mislead, or constitutes 'insider information', they should still take care, when discussing this information, internally and externally, because it could still be unsubstantiated and/or malicious rumour. The staff member should observe the following good practices:

- They should clarify that what they have heard is rumour or not and, where there is any doubt at all as to its validity, avoid re-presenting it as substantiated or factual.
- They should, wherever practicable, state the source of the rumour, and/or who it was that passed it on to them.
- They should refrain from disseminating any unsubstantiated rumour widely in any way, shape or form (e.g. avoid passing it on to sell side analysts or media representatives).
- They should always act with maximum discretion in relation to rumours regarding any security or investment that the Firm may be trading or actively intending to trade.
- Consider the likely actions of any recipient of a rumour that they pass this rumour on to.
- Be prepared to be fully accountable for their actions if and when required to do so.

APPENDIX J: SUSPICIOUS ACTIVITY REPORT FORM



For guidance on how to properly complete a SAR form, the NCA's guidance document, which is aimed at AML supervisors and can be accessed [here](#), is relevant.

Suspicious Activity Report (SAR) Form

Your name:
Company name:
Contact details:
Date of submission to Firm's MLRO/Deputy MLRO:
Signature:

Details relating to the main person and/or corporation/partnership/trust to which the suspicion relates:

Details Required in Respect of an Individual
Title:
Surname:
Forenames:
Date of birth:
Gender:
Nationality:
Passport no:
Occupation:
Home address: (including postcode and country)
Employer (where relevant):

Details Required in Respect of a Company/Partnership/Trust
First name:
Type of business:
Address: (including postcode and country)
Firm no:
VAT no:

Reason(s) for suspicion (please continue on a new page if necessary):

Please ensure you send any available supporting documents with this form.

Please sign, date and take a copy of this report for your records prior to providing it to the Firm's MLRO. Do **not** place the form on the subject's file, but file it in a separate, secure location with restricted access to avoid tipping off or prejudicing any potential investigation.

FOR MLRO RECORDS ONLY			
Date suspicion received:		Reference no:	
Reported to NCA:	Yes/No	Date receipt provided for STR:	
Justification for reporting decision:	Date reported to NCA:		
	Response received from NCA:		Yes/No
	Date of response from NCA:		
	Consent required:		Yes/No
	NCA decision on consent:		
Other notes:			

APPENDIX K: TAX EVASION PREVENTION POLICY

Policy for the Prevention of Tax Evasion

About This Policy

It is the Firm's policy to conduct all of its business in an honest and ethical manner. The Firm takes a zero-tolerance approach to tax evasion, and to the facilitation of tax evasion, by any of its staff, clients, ARs underlying investors of the funds it manages or associated persons. The Firm is committed to acting professionally, fairly and with integrity in all its business dealings and relationships and implementing and enforcing effective systems to counter tax evasion facilitation.

If the Firm fails to prevent its staff members, ARs, workers, agents or service providers facilitating tax evasion, the Firm can face criminal sanctions including an unlimited fine, as well as exclusion from tendering from certain contracts and damage to its reputation. The Firm therefore takes its legal responsibilities seriously.

Any staff member who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. Any non-staff member or AR, who breaches this policy may have their approval withdrawn (where applicable) or contract terminated with immediate effect.

This policy may be amended at any time. It will be reviewed at least annually and approved each time by the Firm's partners.

Responsibility for the Policy

The partners of the Firm are responsible for ensuring this policy complies with its legal, regulatory and ethical obligations and that those under its control comply with it.

The Compliance Manager has day-to-day responsibility for implementing the policy, answering queries about it, and checking its use and effectiveness through monitoring.

Who Must Comply With This Policy?

This policy applies to all persons working for the Firm or on the Firm's behalf in any capacity – known as associated persons in this policy – including staff members at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives, ARs, and business partners.

What is Tax Evasion and Tax Avoidance?

Tax evasion refers to the illegal non-payment or underpayment of tax.

Failure to prevent facilitation of UK tax evasion covers any offence of cheating the public revenue and any other fraudulent evasion of tax, thereby including duty and VAT fraud.

Failure to prevent facilitation of foreign tax evasion captures conduct that:

- Amounts to an offence under foreign law.
- Relates to a breach of duty relating to tax imposed under the law of that country.
- Would be regarded by the courts of any part of the UK as amounting to being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of that tax.

Facilitation offences include aiding, abetting and inchoate offences (e.g. incitement).

Tax avoidance is seeking to minimise a tax bill without deliberate deception (which would be tax evasion) by exploiting loopholes and gaps in tax and other legislation in ways not anticipated by the Law. Therefore it is seen as conduct not in the spirit in which the Law is written.

Tax avoiders face uncertainty when pursuing these activities because the schemes are normally based on interpretation of relevant legislation, including the intended meaning of the legislation. Legislation also changes frequently, so what was once possible may no longer be possible under amended/new legislation, which often seeks to close loopholes.

As an ethical organisation endeavouring to operate at the highest standards of professionalism and integrity, the Firm does not condone schemes or actions that are characteristic of tax avoidance.

Tax Efficiency

This policy is not intended to, and does not, prohibit compliant tax efficient planning/structures that comply with both the rule and spirit of legislation, and seek to pay the right amount of tax in the right place at the right time. In other words, the substance of economic activities tallies with the place and form in which they are reported for tax purposes.

Tax efficiency seeks to pay the tax due but no more.

What Must Associated Persons Not Do?

It is not acceptable for an associated person (or someone on their behalf) to:

- Engage in any form of conduct that facilitates tax evasion or foreign tax evasion.
- Aid, abet, counsel or procure the commission of a tax evasion offence or foreign tax evasion offence by another person.
- Fail to promptly report any request or demand from any third party to facilitate the fraudulent evasion of tax (whether UK tax or tax in a foreign country), or any suspected fraudulent evasion of tax (whether UK tax or tax in a foreign country) by another person, in accordance with this policy.
- Engage in any other activity that might lead to a breach of this policy.
- Threaten or retaliate against another individual who has refused to commit a tax evasion offence or a foreign tax evasion offence or who has raised concerns under this policy.

Responsibilities of Associated Persons

Associated Persons must ensure that they read, understand and comply with this policy.

Associated Persons are required to avoid any activity that might lead to, or suggest, a breach of this policy.

The prevention, detection and reporting of tax evasion and foreign tax evasion are the responsibility of all those working for, or associated with, the Firm or under the Firm's control, including ARs.

Record-Keeping

Associated persons must follow the relevant procedures contained in the Manual at all times. Where an associated person does not feel sufficiently confident to do so they must speak to the MLRO/Deputy MLRO without delay.

All relevant records (e.g. accounts, invoices, due diligence on individuals and entities, including third parties) should be prepared with strict accuracy and completeness and in accordance with relevant

regulatory and legislative standards, and retained in shared files, in the correct file format for the required period of time.

No records should be kept 'off-book' unless there is an explicit instruction in the Manual to do so (e.g. a SAR).

How to Raise a Concern

The Firm's whistleblowing, suspicious activity report (SAR) and suspicious transaction and order report (STOR) policies and procedures in the Manual should be used to highlight concerns to senior management and/or other relevant external authorities, where appropriate. Therefore, associated persons should ensure they are familiar with these policies and should request copies of them where required.

Individuals who raise concerns or report another's wrongdoing are sometimes worried about possible repercussions. The Firm encourages openness, honesty and transparency and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

APPENDIX L: ANTI-BRIBERY & CORRUPTION POLICY

Anti-Bribery and Corruption Policy

About This Policy

It is the Firm's policy to conduct all of its business in an honest and ethical manner. The Firm takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships.

Any staff member who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. An AR or any other non-staff member who breaches this policy may have their approval withdrawn (where applicable) or contract terminated with immediate effect.

This policy may be amended at any time. It will be reviewed at least annually and approved each time by the Firm's partners.

Responsibility for the Policy

The partners of the Firm are responsible for ensuring this policy complies with its legal, regulatory and ethical obligations and that those under its control comply with it.

The Compliance Manager has day-to-day responsibility for implementing the policy, answering queries about it, and checking its use and effectiveness through monitoring.

Who Must Comply With This Policy?

This policy applies to all persons working for the Firm or on its behalf in any capacity – known as associated persons in this policy and the Manual – including staff members at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives, ARs, and business partners.

What are Bribery and Corruption?

A 'bribe' is a financial or any other inducement, reward or advantage for action, or inaction, which is illegal, unethical, a breach of trust or improper in any way, or where the recipient would act improperly by accepting the advantage.

Bribes can take the form of money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or any other advantage or benefit.

'Bribery' includes offering, promising, giving, accepting or seeking a bribe.

Corruption is the abuse of entrusted power or position for private gain.

All forms of bribery and corruption are strictly prohibited. The prohibition also applies to facilitation payments or 'kickbacks', as set out later in this policy. Breach of this prohibition could lead to criminal prosecution of, and regulatory sanctions against, all individuals involved and the Firm/AR, too.

Associated Persons who are unsure about whether a particular act constitutes bribery, should speak to the Compliance Officer.

What Associated Persons Must Not Do

It is not acceptable for associated persons (or someone on their behalf) to:

- Give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.
- Give or accept a gift or hospitality during any commercial negotiations or tender process, if this could be perceived as intended or likely to influence the outcome.
- Accept a payment, gift or hospitality from a third party that they know or suspect is offered with the expectation that it will provide a business advantage for them or anyone else in return.
- Accept hospitality from a third party that is unduly lavish or extravagant under the circumstances.
- Offer or accept a gift to or from government officials or representatives, or politicians or political parties, without the prior written approval of the Compliance Officer or, in their absence, the Deputy Compliance Officer.
- Threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy.
- Engage in any other activity that might lead to a breach of this policy.

Gifts, Hospitality and Expenses

This policy does not prohibit the giving or accepting of reasonable and appropriate hospitality for legitimate purposes such as building relationships, maintaining image or reputation, or marketing products and services where the giving or accepting is neither repeated (either regularly or with the same provider) nor excessive and does not breach other relevant rules including those concerning inducements in COBS 2.3 of the FCA's Handbook.

A gift or hospitality will not be appropriate if it is unduly lavish or extravagant, or could be seen as an inducement or reward for any preferential treatment (e.g. during contractual negotiations or a tender process).

Gifts must be of an appropriate type and value depending on the circumstances and taking account of the reason for the gift.

Gifts must be given openly, not secretly, and must comply with any applicable local law.

Gifts must not include cash or cash equivalents (such as vouchers).

Reimbursing a third party's expenses, or accepting an offer to reimburse expenses (e.g. the costs of attending a business meeting) would not usually amount to bribery. However, a payment in excess of genuine and reasonable business expenses (such as the cost of an extended hotel stay) is not acceptable.

All persons within the scope of this policy (including ARs) are required to seek written permission from the Compliance Officer, or Deputy Compliance Officer in their absence, before giving to, or accepting from, a client or potential client or intermediary, a gift or benefit of £100 per head or more.

There may be situations where a staff member is offered a gift in circumstances where it is not possible to consult the Compliance Officer in advance, such as in a meeting. In such situations they must resort to their best judgement about whether or not to accept it, taking into account all relevant rules, requirements and expectations that are placed on regulated firms (e.g. the FCA's Principles for Businesses and the Statements of Principle and Code of Practice for Approved Persons), and request retrospective approval from the Compliance Officer at the earliest opportunity. There is no guarantee of retrospective approval and they may be required by the Compliance Officer to return it.

Promotional gifts of low value such as branded stationery may be given to or accepted from existing customers, suppliers and business partners.

All persons within scope of this policy must not give, agree to give or offer any gift or other consideration to any person including a public official or a staff member in the private sector as an inducement or reward for that person doing or not doing an act in relation to their principal affairs or business. It is a criminal offence just to offer such a gift or other consideration whether or not the offer is accepted or acted upon.

At least annually or more frequently if the need arises, the Compliance Officer will confirm whether any gifts/inducements have been received by any associated persons and if so, that appropriate records exist and that no conflict of interest has arisen. Otherwise a nil return will be recorded.

Facilitation Payments and Kickbacks

The Firm does not make, and will not accept, facilitation payments or 'kickbacks' of any kind.

Facilitation payments, also known as 'back-handers' or 'grease payments', are typically small, unofficial payments made to secure or expedite a routine or necessary action (e.g. by a government official). They are not permitted in the UK but are common in some other jurisdictions.

Kickbacks are typically payments made in return for a business favour or advantage.

Associated Persons must avoid any activity that might lead to a facilitation payment or kickback being made or accepted by the Firm or on the Firm's behalf, or that might suggest that such a payment will be made or accepted.

If an associated person is asked to make a payment on the Firm's behalf, they should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. They should always ask for a receipt which details the reason for the payment. If they have any suspicions, concerns or queries regarding a payment, they should raise these with the Compliance Officer or Deputy Compliance Officer in their absence.

Record-Keeping

Associated persons must follow the relevant procedures contained in the Manual at all times. Where an associated person does not feel sufficiently confident to do so they must speak to their manager or the Compliance Officer without delay.

Associated Persons must declare and keep a written record of all hospitality or gifts given or received for at least 5 years.

Associated Persons must also submit all expenses claims relating to hospitality, gifts or payments to third parties in accordance with the most appropriate expenses policy.

All relevant records (e.g. accounts, invoices, due diligence on individuals and entities, including third parties) should be prepared with strict accuracy and completeness and in accordance with relevant regulatory and legislative standards, and retained in shared files, in the correct file format for the required period of time.

No records should be kept 'off-book' unless there is an explicit instruction in the Manual to do so (e.g. a SAR).

How to Raise a Concern

If an associated person is offered a bribe, or is asked to make one, or suspects that any bribery, corruption or other breach of this policy has occurred or may occur, the Firm's whistleblowing, suspicious activity report (SAR) and suspicious transaction and order report (STOR) policies and procedures in the Manual should be used to alert senior management and/or other relevant external authorities, where appropriate,

to their concerns. Therefore, associated persons should ensure they are familiar with these policies and should request copies of them where required.

APPENDIX M: KNOWLEDGE AND COMPETENCE ASSESSMENT SHEET

Knowledge and Competence Assessment Sheet

- If the individual being assessed is the senior manager, the form has to be assessed by the Firm's SMF16.
- If the individual is anyone else, the form has to be assessed by the AR's nominated senior manager, who is also a governing function holder.

Basic Details (to be completed by the person filling in the form)	
Name of individual being assessed	
Job title	
Employer	
Name of supervisor	
Controlled Functions held or applied for (if applicable)	
Key responsibilities	
Length of time in current role	
Form completed by	
Date of completion	

Assessment Details (to be completed by a senior manager or the Firm's SMF16 depending on the circumstances)	
Assessment type (initial/annual)	
Assessment period (n/a for initial assessment)	
Date of assessment	
Name of principal assessor (senior manager's name or the Firm's SMF16)	
Result (pass/conditional/fail)	
Date of Approved Person's agreement	
Date of interim follow-up, if applicable	
Date of next assessment (annually)	

- Please include comments if competence status is partially achieved or not yet achieved.
- If an assessment area is deemed 'not applicable' please also state the reason for this.
- Initial/annual training provided by the Firm covers a number of these assessment areas.

Knowledge and Competence						
Ref	Competence Assessment Area	Details of Assessment	Competence Status			Justification/Comments/Actions
			Achieved	Partially Achieved	Not yet Achieved	
1	Appropriate Qualifications	Qualification(s) (relevant to the role – refer to CV) or other test(s) that meet the criteria in the ESMA Guidelines ¹ (see section 3 or 4 below).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2	Appropriate Experience	At least 6 months relevant full-time experience where the member of staff has successfully demonstrated the ability to perform the relevant services through previous work.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3	ESMA criteria for knowledge and competence for staff giving information about investment products, investment services or ancillary services	To be completed for staff giving information about investment products, investment services or ancillary services that are available through the Firm, to ensure they have the necessary knowledge and competence to:				
3.1		Understand the key characteristics, risk and features of the investment products being offered or recommended, including any general tax implications to be incurred by the client in the context of transactions. Particular care should be taken when providing advice with respect to products characterised by higher levels of complexity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.2		Understand the total amount of costs and charges to be incurred by the client in the context of transactions in an investment product, or investment services or ancillary services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.3		Understand the characteristics and scope of investment services or ancillary services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

¹ ESMA Guidelines for the Assessment of Knowledge of Competence:

https://www.esma.europa.eu/sites/default/files/library/esma71-1154262120-153_guidelines_for_the_assessment_of_knowledge_and_competence_corrigenum.pdf

Knowledge and Competence						
Ref	Competence Assessment Area	Details of Assessment	Competence Status			Justification/Comments/Actions
			Achieved	Partially Achieved	Not yet Achieved	
3.4		Understand how financial markets function and how they affect the value and pricing of investment products on which they provide information to clients.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.5		Understand the impact of economic figures, national/regional/global events on markets and on the value of investment products on which they provide information.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.6		Understand the difference between past performance and future performance scenarios as well as the limits of predictive forecasting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.7		Understand issues relating to market abuse, anti-money laundering and general regulatory compliance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.8		Assess data relevant to the investment products on which they provide information to clients such as Key Investor Information Documents, prospectuses, financial statements, or financial data.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.9		Understand specific market structures for the investment products on which they provide information to clients and, where relevant, their trading venues or the existence of any secondary markets.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.10		Have a basic knowledge of valuation principles for the type of investment products in relation to which the information is provided.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4		ESMA criteria for knowledge and competence for staff giving investment advice	To be completed for staff giving investment advice to ensure they have the necessary knowledge and competence to:			

Knowledge and Competence						
Ref	Competence Assessment Area	Details of Assessment	Competence Status			Justification/Comments/Actions
			Achieved	Partially Achieved	Not yet Achieved	
4.1		Understand the key characteristics, risk and features of the investment products being offered or recommended, including any general tax implications to be incurred by the client in the context of transactions. Particular care should be taken when providing advice with respect to products characterised by higher levels of complexity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.2		Understand the total costs and charges to be incurred by the client in the context of the type of investment product being offered or recommended and the costs related to the provision of the advice and any other related services being provided.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.3		Fulfil the obligations required by firms in relation the suitability requirements including the obligations as set out in the ESMA Guidelines ¹ on certain aspects of the MIFID suitability requirements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.4		Understand how the type of investment product provided by the Firm may not be suitable for the client, having assessed the relevant information provided by the client against potential changes that may have occurred since the relevant information was gathered.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.5		Understand how financial markets function and how they affect the value and pricing investment products offered or recommended to clients.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Knowledge and Competence						
Ref	Competence Assessment Area	Details of Assessment	Competence Status			Justification/Comments/Actions
			Achieved	Partially Achieved	Not yet Achieved	
4.6		Understand the impact of economic figures, national/regional/global events on markets and on the value of investment products being offered or recommended to clients.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.7		Understand the difference between past performance and future performance scenarios as well as the limits of predictive forecasting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.8		Understand issues relating to market abuse, anti-money laundering and general regulatory compliance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.9		Assess data relevant to the type investment products offered or recommended to clients such as key investor information documents, prospectuses, financial statements, or financial data.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.10		Understand specific market structures for the type investment products offered or recommended to clients and where relevant their trading venues or the existence of any secondary markets.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.11		Have a basic knowledge of valuation principles for the type of investment products offered or recommended to clients.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Knowledge and Competence						
Ref	Competence Assessment Area	Details of Assessment	Competence Status			Justification/Comments/Actions
			Achieved	Partially Achieved	Not yet Achieved	
4.12		Understand the fundamentals of managing a portfolio, including being able to understand the implications of diversification regarding individual investment alternatives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.12		Understand the difference between information and advice, and understand in which it is deemed appropriate to give either advice or information.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5	Company Policies and Procedures	Understanding of latest version of the <u>Manual</u> and employer’s staff handbook (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6	Continuing Professional Development	At least 35 hours achieved in a CPD year, 21 of which is structured (to be completed for annual assessment only; not required for the initial assessment).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Fitness and Propriety for Approved Persons (Firm use only)					
Ref	Assessment Area	Details of Assessment	Status		Justification/Comments/Actions
			Confirmed	Query	
7.1	Honesty, Integrity and Reputation (FIT 2.1)	Any issues recorded or changes notified in assessment period?	<input type="checkbox"/>	<input type="checkbox"/>	
7.2	Competence and Capability (FIT 2.2)	See above table.	<input type="checkbox"/>	<input type="checkbox"/>	

Fitness and Propriety for Approved Persons (Firm use only)					
Ref	Assessment Area	Details of Assessment	Status		Justification/Comments/Actions
			Confirmed	Query	
7.3	Financial Soundness (FIT 2.3)	Date of last credit check. Any issues recorded in assessment period?	<input type="checkbox"/>	<input type="checkbox"/>	
7.4	Time taken to achieve competence (ESMA Guidelines)	Competency achieved within the prescribed timescales (48 months)	<input type="checkbox"/>	<input type="checkbox"/>	

APPENDIX N: GUIDANCE FOR APPENDIX M

Guidance for Completing Appendix M

Purpose

To assess competence at the outset, periodically (e.g. annually) and for each new role being undertaken.

Basic Details

For current role for which competence is being assessed.

Knowledge and Competence

- To check the boxes – double click on the box, select ‘checked’ (or ‘not checked’ where appropriate) and click ‘OK’.
- Where a section is N/A – explain why in the last column.
- For each status selected – justification or, where the assessment area is partially or not yet achieved, actions should be detailed in the last column.
- Competence areas:
 - Those listed consider the requirements under MiFID II and also other appropriate areas of knowledge, e.g. a firm’s policies and procedures.
 - Where appropriate, all areas (1,2,5,6 and 3 and/or 4) must be achieved to be assessed as fully competent.
 - Areas under 3 are for staff giving only information – examples are provided in the ESMA guidelines.
 - Areas under 4 are for staff giving advice.
 - It should be noted that for staff giving advice they are likely to also be giving information.
 - The competence requirements for 3 and 4 are very similar. Therefore, if an individual is giving advice and has achieved area 4, it is likely they have also achieved most of area 3 too.
- Competent status guide: partially achieved status – is where remedial training or gap-fill is required. For example, the individual is new to the role and so has not accumulated the necessary amount of relevant full-time experience, the individual has previously been assessed as competent but has perhaps not kept up with CPD, or a training issue has been identified, etc. It can also be used to indicate those that are on their way to achieving a particular requirement.
- Appropriate qualifications – see [ESMA Guidelines](#) and, where appropriate, the [FCA’s TC Sourcebook](#).
- Company policies and procedures – enter version numbers and in the last column, enter the date these were last reviewed.
- CPD:
 - To help demonstrate competence is being maintained appropriate CPD should be logged. The retail CPD requirement (35 hours per annum, 21 of which is structured) is used as the benchmark. This equates to about 3 hours per month.
 - The individual’s CPD year should be noted.
 - This assessment area refers to the last complete CPD year and evidence of completion should be included (e.g. certificate or CPD log, not applicable for initial assessment).
 - Comments (including hours already logged) on the current CPD year should also be included.
- Evidence in relation to all assessment areas should be reviewed as part of the assessment and noted in the end column. In addition, the following pieces of evidence should be attached and filed with the assessment sheet:

- Relevant certificates (unless already provided, including as part of onboarding).
- CPD log covering last complete CPD year certificate for last complete CPD year (n/a for initial assessment).
- Latest induction/development plan, if applicable.
- Fitness and propriety for Approved Persons (Firm use only).
 - For use and completion by Firm staff.
 - Only to be completed for those looking to hold, or already holding, a Controlled Function.
 - For each assessment area the assessor should review the evidence (for the relevant period) and note down in the last column justification for the confirmed status.
 - Where there is a query, this should also be noted and then a date note added on any action taken and once the query is resolved. This is to ensure there is a complete audit trail.
 - For 7.2, the date APER was last reviewed should also be inserted. Approved Persons are expected to review this annually (to the month).

APPENDIX O: COMPLAINTS MANAGEMENT POLICY

Introduction

This policy sets out the framework for the management and resolution of complaints by the Firm.

Scope

The policy covers all expressions of dissatisfaction from clients and prospective clients of the Firm and its ARs, made orally or in writing, in respect of investment or ancillary products and services carried out or provided by the Firm or its ARs.

This policy also covers complaints about minor, low-impact issues raised that can be resolved quickly and with minimal formality with the client's agreement.

Purpose and Outcomes

The purpose of this policy is to clearly set out the Firm's baseline approach to all complaints that fall within the scope set out above and in Section 12 of the Manual.

This policy aims to achieve the following complaint-related outcomes:

- Complaints are handled promptly, independently and fairly.
- Complaints are thoroughly investigated.
- Complainants feel listened to and taken seriously.
- Where a complaint is upheld, the complainant is put back into the position they would have been in had the event in question not occurred.
- Lessons are learnt.
- Root causes are analysed.
- Root causes are corrected.
- Future similar issues are either avoided or mitigated.
- Senior management, on the basis of sufficient and up-to-date management information, makes appropriate and informed decisions.

Commitment to Candour

Where appropriate and permitted by law, the Firm encourages open communication on complaint-related issues.

So far as is possible, appropriate and non-prejudicial, clients and prospective clients can expect openness and transparency from the Firm and its ARs.

It is important that staff at all levels, including within ARs, act appropriately and in accordance with this and other relevant policies and procedures.

Roles and Responsibilities

The Firm's partners have overall responsibility for approving and ensuring compliance with this policy and other relevant policies and procedures.

The Firm's Compliance Officer is also responsible for 'complaints oversight' and for ensuring this policy and relevant procedures meet applicable regulation, legislation and best practice guidance. The complaints oversight role will normally include formal responsibility for investigation of the complaint matter, although investigations may also be delegated to other staff. However, if the complaint involves the Complaints Oversight Officer as the subject matter of the complaint, responsibility for the investigation will be allocated to another Senior Manager (as described in the Senior Managers and Certification Regime - SM&CR).

All staff have a responsibility to be aware of, understand and conduct themselves in full compliance with this and other relevant policies and procedures.

Equal Access

Reasonable efforts will be made to ensure the process of handling complaints promotes equal access.

Where possible and permitted, the Firm will operate with some flexibility in order to meet the potentially diverse range of needs of those that may wish to make a complaint.

Discrimination of any type against those who make a complaint or raise issues is unacceptable and will not be tolerated.

Time Limits

The Firm and its ARs will comply with the complaint time limits, as set out in applicable regulation and legislation. This will include, where applicable, time limits relating to referral of eligible complaints to the FOS, as per [DISP 2.8](#).

Where a complaint is submitted outside of these time limits, the Compliance Officer will determine, based on all available and material facts, whether or not to investigate the complaint. The Compliance Officer will endeavour to make their decision and communicate it to the complainant as soon as is practicably possible.

Reopening of Complaints

Where a complaint has been resolved to the complainant's satisfaction, the complaint will not be reopened unless there is a compelling and appropriate reason to do so. For example, in response to a request by a relevant regulatory authority.

Reopening requests must be directed to the Compliance Officer without delay, who will assess the request before making a recommendation. The partners must discuss the recommendation before making and communicating a decision to all relevant parties.

Monitoring

Annual training and routine monitoring will be used to check, amongst other things, understanding of and compliance with this policy and other relevant policies and procedures.

Related Documentation

- The Compliance Manual, including whistleblowing policy and procedures.
- Client leaflet: 'Not Happy? Here's what to do.'

- Complaints register
- Privacy policy
- Consent form
- Training material
- Risk assessment
- Service agreements

APPENDIX P: COMPLAINTS LEAFLET

Not Happy? Here's what to do



1. Explain to your main point of contact at <name of AR>, orally or in writing, what you're not happy about and how you would like things to be resolved.
2. If the issues are low-impact, e.g., minor and administrative in nature, and <name of AR> confirms it is able to resolve them quickly, and you're happy to accept the proposed resolutions, once <name of AR> has taken corrective action, you will receive a summary communication of the issues raised and how they have been resolved. Alternatively, you can register your issues formally with us, as set out below.
3. If the issues are more complex, serious and/or high-impact, you would simply prefer to formally register a complaint, and/or if you remain unhappy with the action taken under step 2. above, please contact the Compliance Officer at Midmar using the following information:

Tel: 0131 473 1006
 Email: gillian.gallacher@midmarcapital.com
 Post: Midmar Capital LLP
 Hudson House
 8 Albany Street
 Edinburgh
 EH1 3QB

How we handle complaints

If you decide to formally register your issues with Midmar, in accordance with the documented complaints procedure Midmar will:

1. Acknowledge receipt of your complaint in writing (by email or post), enclosing a copy of our complaints leaflet and Complaints Management Policy, within 5 working days of receiving it.
2. Gather all relevant evidence information and where appropriate, testimony in order to consider the issues raised fairly and consistently.
3. As far as is practicable and reasonable, keep you updated on the progress of your complaint.
4. Issue a response to you in writing as soon as possible but in any case, within 4-8 weeks of receiving your complaint. Where this is not possible, Midmar will write to you within this timeframe explaining why it hasn't been able to issue a response to you and when it is likely to be able to issue one.
5. Given the nature of Midmar and <name of AR>'s business and typical client type, if you remain dissatisfied with the response you may only be able to escalate your issues to the Courts. Should you wish to do so, or if you are eligible for an alternative route of escalation, where appropriate and permitted to do so, Midmar and <name of AR> will aim to co-operate fully with any escalation procedure.

Our commitment to you

- Midmar and <name of AR> aim to ensure:
- Complaints are handled promptly and fairly,
 - Complaints are thoroughly investigated,
 - Complainants feel listened to and taken seriously,
 - Lessons are learnt, and
 - Improvements are made

So far as is possible, appropriate and non-prejudicial, clients should expect openness and transparency from Midmar and <name of AR>.

If you feel that Midmar or <name of AR> has fallen short in any of these areas, please contact Midmar's Compliance Officer using the details at the top of this page.

Midmar Capital LLP, Registered in Scotland, Registered Number: SO302073, Registered office: Hudson House, 8 Albany Street, Edinburgh, EH1 3QB.

Authorised and regulated by the Financial Conduct Authority
(Firm Reference Number: 519772)

<Enter firm details and regulatory status of firm>



APPENDIX Q: PROD ANNEX ASSESSMENTS

PROD Annex – Assessment Questionnaire for ARs

This annex is designed to be used for both new and existing ARs of the Firm.

The purpose of **PROD** is to improve firms' product oversight and governance processes so that products meet the needs of one or more identifiable target markets, are sold to clients in these target markets by appropriate distribution channels, and deliver appropriate client outcomes.

AR Use ONLY	
Name of firm	
Product Name (where applicable)	
Name of reviewer	
Date of assessment review	

Section 1 – Product activity type		YES or NO	Action to be taken
1	Does your firm create, develop, issue and/or design investments, including advising corporate issuers on the launch of new investments?	YES - You are a <u>manufacturer</u> Please go to Q3 NO - Please go to Q3	Not applicable
2	Does your firm offer, recommend, or sell an investment, or provide an investment service to a client?	YES - You are a <u>distributor</u> NO – n/a	<ul style="list-style-type: none"> If you are a manufacturer and a distributor, please answer all questions in Section 2 and Section 3 If you are only a distributor, please answer all questions in section 3.
Section 2 – Manufacturer		YES/NO or Comments	If YES – what evidence is in place? If NO – what action will be taken?
1	Description of product		
2	Please list or describe the identified target markets for the product.		
3	What are the needs of the identified target market.		
4	Is the product designed to meet the needs of the client target market and how does it meet these needs? (i.e. Retail,		

	Professional or Eligible Counterparty business clients) (PROD 3.2.1R) (PROD 3.2.8R)		
5	How will the product be distributed? (By whom, how, where, when)		
9	What are the main risks to clients associated with the product and how are these mitigated?		
11	Where products have been manufactured in collaboration with other firms, is a written agreement outlining mutual responsibilities in place? (PROD 3.2.6R)		
12	How has the firm scenario tested the product to assess: a) the risks of poor outcomes for end clients posed by the product; and b) in which circumstances those poor outcomes may occur? For example, what would happen if relevant markets deteriorated or if the firm, or a key firm involved in the product, experiences financial difficulties? (PROD 3.2.12-15R)		
13	Is sufficient information available to intended and existing distributors of new and existing products, covering the functioning of the product, the approval process, the target market, and appropriate distribution channels? (PROD 3.2.16R)		
14	Is a robust review process in place to ensure the product remains fit for the purpose of its intended target market? (PROD 3.2.19R)		

15	Are there any conflicts of interest associated with the product?		
16	Please describe all types of potential conflicts of interest associated with the product and taking into consideration what steps will be put in place to ensure no client is adversely impacted, and market integrity issues are not created.		
19	What training has been provided to those involved in the design and/or distribution of the product?		
20	How do you ensure the product is designed and targeted appropriately?		
22	How is the success of the product measured and reported, including internally?		
Section 3 – Distributor		YES/NO or Comments	If YES – what evidence is in place? If NO – what action will be taken?
1	Has the manufacturer provided sufficient information to enable a comprehensive understanding and knowledge of the product to be obtained? Including details of target market(s) and needs. (PROD 3.3.1R) (PROD 3.3.3R)		
2	Is the target market clearly identified, even if not specified by the manufacturer, and this aligns with the distribution target market? (PROD 3.3.1R) (PROD 3.3.9-10R)		
3	Is a distribution strategy in place, considering wider FCA rules, as necessary, as part of this? (PROD 3.3.9-10R) (PROD 3.3.18R)		
4	Are appropriate governance arrangements in place? Please provide details. (PROD 3.3.15R)		

6	What relevant training do those involved in product distribution undergo before engaging in distribution activities?		
7	Are compliance reports prepared which include details of the products distributed by the firm? (PROD 3.3.24-25R)		
8	Is a robust review process in place to ensure the product remains fit for the purpose of its intended target market, and do governance arrangements provide sufficient oversight? (PROD 3.3.26-28R)		
9	Is a process in place to provide feedback to the manufacturer on product sales and reviews undertaken? (PROD 3.3.30R)		
10	Where the distribution of a product is to another distributor, are the responsibilities in this chain understood and documented? (PROD 3.3.32-33R)		
11	Where relevant, please describe the chain of distribution.		
Section 4 – Non-MiFID firms			
1	PROD 1.3.2R provides that all non-MiFID firms that manufacture or distribute financial instruments should take account of PROD 3 as if it were guidance on the FCA's Principles for Businesses and other relevant rules. This means that non-MiFID firms should read a reference to 'must' in PROD 3 as a reference to 'should'.		

PROD Annex – Assessment Questionnaire for the Firm

Midmar Use ONLY	
Name of AR	
New or Existing AR	
Name of Reviewer	

Review Stage	
Reason for Review	
Date of Assessment	

Section 2 – Manufacturer (Midmar Assessment)		Comments
1	Who is the manufacturer	
2	Is the product designed to meet the needs of the client target market. (PROD 3.2.1R)	
3	Is the strategy for the distribution of the product compatible with this target market? (PROD 3.2.1R)	
4	Is the product actually distributed to the target market? (PROD 3.2.1R)	
5	Has a process of approval been followed where new products have been developed or existing products are being significantly modified? (PROD 3.2.3R)	
6	Have risks associated with the design of the product and its intended target market been assessed and mitigated? (PROD 3.2.4R) (PROD 3.2.10R)	
7	Have products have been manufactured in collaboration with other firms and is a written agreement outlining mutual responsibilities in place? (PROD 3.2.6R)	
8	Has the firm scenario tested the product to assess: a) the risks of poor outcomes for end clients posed by the product; and b) in which circumstances those poor outcomes may occur? (PROD 3.2.12-15R)	
9	Is sufficient information available to intended and existing distributors of new and existing	

	products, covering the functioning of the product, the approval process, the target market, and appropriate distribution channels? (PROD 3.2.16R)	
10	Is a robust review process in place to ensure the product remains fit for the purpose of its intended target market? (PROD 3.2.19R)	
11	Have any conflicts of interest been identified and disclosed to Midmar?	
12	Have potential and actual conflicts of interest been considered and reviewed to ensure no client is adversely impacted, and market integrity issues are not created? (PROD 3.2.27-30R)	
13	Are sufficient oversight and training mechanisms in place to enable sufficient governance of the manufacturing process and the knowledge of personnel involved in this? (PROD 3.2.31-33R)	
14	Are compliance reports prepared that include details of the products manufactured, including the distribution strategy. (PROD 3.2.35-36R)	

Section 3 – Distributor (Midmar Assessment)		Comments
1	Who is the distributor	
2	Has the manufacturer provided sufficient information to enable a comprehensive understanding and knowledge of the product to be obtained? Including details of target market(s) and needs. (PROD 3.3.1R) (PROD 3.3.3R)	
3	Is a distribution strategy in place, considering wider FCA rules, as necessary, as part of this? (PROD 3.3.9-10R) (PROD 3.3.18R)	
4	Are appropriate governance arrangements in place? (PROD 3.3.15R)	
5	Do personnel involved in the distribution of the product have the necessary knowledge	

	and understanding of the product to do so effectively? (PROD 3.3.20-22R)	
6	Are compliance reports prepared which include details of the products distributed by the firm? (PROD 3.3.24-25R)	
7	Is a robust review process in place to ensure the product remains fit for the purpose of its intended target market, and do governance arrangements provide sufficient oversight? (PROD 3.3.26-28R)	
8	Is a process in place to provide feedback to the manufacturer on product sales and reviews undertaken? (PROD 3.3.30R)	
9	Where the distribution of a product is to another distributor, are the responsibilities in this chain understood and documented? (PROD 3.3.32-33R)	

APPENDIX R: TELEPHONE RECORDING POLICY

Telephone Recording Policy

[SYSC 9](#) of the FCA Handbook sets out the general rules on record-keeping for firms. The Firm and its ARs must arrange for orderly records to be kept of its business and internal organisation.

- The records must be sufficient and retained in a medium that would allow the FCA (or any other relevant competent authority) to access them in the future, without undue delay.
- The records must allow reconstitution of each key stage of the processing of each relevant transaction undertaken by the Firm/AR.
- It must be possible for any corrections or other amendments, and the contents of the records prior to such corrections, to be easily ascertained.
- It must not be possible for the records to be manipulated or altered otherwise.
- The records must be provided to the client involved upon request.
- The Firm/AR must retain all records relating to activities in scope of UK MiFID for a period of at least 5 years, and, where requested by the FCA, for a period of up to 7 years.

The Firm and its ARs are also expected to have in place appropriate standalone data retention and management policies which will detail the data held, the necessary retention periods, and the steps in place to appropriately and securely dispose of this data.

[SYSC 10A.1](#) reflects the requirements under UK MiFID that many firms, including investment management firms and small UK AIFMs, need to comply with in relation to the recording of telephone conversations when arranging, dealing and managing financial instruments (as defined by FCA rules). This requirement therefore applies to both the Firm and its ARs unless an appropriate exemption exists.

Exemptions are contained in SYSC 10A1.4 and include that the requirements do not apply where the financial instruments in question are NOT:

1. Admitted to trading on a trading venue.
2. Traded on a trading venue.
3. Instruments for which a request has been made for admission to trading on a trading venue.
4. Instruments covered by paragraph (1), (2) or (3), but the price or value of which depends on, or has an effect on, the price or value of a financial instrument referred to in those paragraphs.

Therefore, as the Firm's activities (and therefore those of its ARs) do not include the above instruments as the majority of instruments involved are unlisted securities or debts/loans, at present the Firm and its ARs are not required to record relevant telephone calls as described.

However regardless, a full audit trail of any significant communications relating to advising and arranging deals (ARs) and managing investments (the Firm) should be always maintained including by way of using files notes and/or emails.

If this exemption no longer applied, the Firm and its ARs would ensure they were able to comply with the following policy:

- Have in place the necessary telephony systems to comply with the regulatory rules and ensure that it keeps an adequate record of these calls. This includes the time and date of the call, and any other reference data to enable efficient retrieval, with the holding of these calls treated in the same manner as all other electronic and hard-copy data.

- As such, telephone calls must be held for a minimum of 5 years, or 7 years if requested by the FCA, and thereafter deleted as necessary.
- All calls during Firm business will be made using Firm-provided equipment, including mobile devices. Staff are not permitted to utilise their own equipment.
- Monitoring arrangements would include a regular sampling of relevant calls by both the AR under general oversight and the Firm under its annual monitoring programme.
- For calls that specifically relate to activities in financial instruments, the Firm and its ARs are required to pre-notify those clients that it intends to record the conversations. However, the pre-notification is only required as a one-off; so, for new clients prior to the commencement of any investment services, and for existing clients prior to the next provision of investment services.
- SYSC 10A.1 also requires client instructions given otherwise than by telephone to be made in a durable medium such as by mail, emails or documentation of client instructions issued at meetings. The content of relevant face-to-face conversations with a client may be recorded by using written minutes or notes.