

Conflicts of Interest Policy

Introduction

Under the rules of the Financial Conduct Authority (the “**FCA**”), JonesTrading International Limited (the “**Firm**”) is required to identify and manage conflicts of interest fairly between the Firm and its clients and between one client and another client.

Scope

The Firm’s Conflict of Interest Policy (this “**Policy**”) applies to all of its directors, officers, employees, contractors and secondees (collectively, “**Personnel**”). The Firm respects all Personnel’s right to privacy and therefore would not normally take an interest in their conduct outside work. There could however be a potential conflict between a Personnel’s personal conduct and professional duties towards the Firm which should be resolved satisfactorily.

All Personnel are reminded that they should always treat the Firm’s clients, counterparties, brokers and other third parties fairly, professionally and with integrity.

Identifying Conflicts

As a regulated entity, the Firm must take all reasonable steps to identify conflicts of interest between the Firm (including any entity within the Group) and a client of the Firm or one client and another client.

When identifying a conflict of interest that may have a material risk of damage to the interests of a client, as a minimum, the Firm will consider, amongst other things, whether the Firm, its Personnel, a Group Entity or any other relevant person:

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

Managing Conflicts of Interest

Conflict of interest or potential conflicts of interest must be managed promptly and fairly. The Firm has put in place a proactive monitoring mechanism to manage potential conflicts:-

- **Compliance Reviews:** reviews are undertaken on a formal basis, having been developed in-house with advice from external advisers.
- **Compliance Manual:** all members of Personnel are required to declare that they have read and understood the Firm's Compliance Manual. The Manual provides detailed policy statements, instructions and procedures (with forms) for considerations.
- **Compliance Forms:** the use of forms for Personnel to confirm personal responsibilities. These cover knowledge of the Firm's conflict policy, awareness of instances of conflict within the Firm, adherence to the Firm's code of conduct and ethical standards.
- **Compliance Training:** training programmes are provided for Personnel, with ongoing refreshers and other more informal methods to raise staff awareness of the Firm's policies and procedures, legal requirements and expectations in relation to ethics and code of conduct.
- Access to information will be controlled and will be on a 'need to know' basis. The Firm will put in place information barriers (see below for more information) in the form of both physical and electronic barriers to information to control information flows coming into the Firm, within the Firm and leaving the Firm.
- Separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Firm.
- Limit on any person from exercising inappropriate influence over the way in which a relevant person carries out investment or ancillary services or activities.
- Personal Account Dealing Policy is implemented which specifies the rules and procedures on personal account dealing by the Firm's Personnel.
- Gifts and Entertainment Policy is implemented, which details the Firm's rules on the acceptance and offering of gifts and entertainment.
- Order Execution Policy is implemented, governing how the Firm deals with client orders to achieve the best result with their interest in mind.
- All Personnel will receive training on their duties and obligations regarding Market Abuse.
- Relevant Personnel holding controlled functions will be suitably trained and competent and approved by the FCA.

Information Barriers

The Firm has in place information barriers (also known as “**Chinese Walls**”) to control the flow of information on a 'need to know' basis whereby information known to persons in one part of

the business is not available (directly or indirectly) to those involved in another part of the business. Information barriers are implemented where necessary between the Firm and other Group entities.

Access to confidential information is restricted to those who have a proper requirement for the information consistent with the legitimate interest of a client or the Firm. The purpose is for decisions in one part of the business to be taken without reference to any interest which any other part or any person in any such part of the business may have in the matter.

All Personnel are aware of and respect these information barriers so that the Firm cannot at any time be accused of misusing any confidential information whether it has been entrusted to the Firm by clients, or relates to the operations of a particular business area within the Firm.

In order to complement the use of information barriers, all Personnel will utilise the following good practices:

- use project names or code words when talking in public areas or non-secure areas in the Firm;
- use meeting rooms to discuss confidential or inside information;
- refer all potential conflicts of interest to the Compliance Officer;
- inform Compliance immediately if they believe they are or may be in possession of inside information, even if received inadvertently;
- obtain prior consent from a client if confidential information received is to be shared or used for purposes different to the capacity in which it was given;
- notify Compliance of others they wish to make an 'insider';
- consider if another member of Personnel's position will be compromised by his/her unwittingly becoming an insider;
- keep confidential and inside information secure;
- be aware of how long the inside information is likely to remain so, since holding it for a long period may only unduly restrict you or others in conducting other business; or
- educate clients about the Firm's Chinese Walls procedures, including disclosing those staff who should be contacted for specific reasons.

All Personnel will approach the following prohibited practices with caution:

- bringing people over the Chinese Wall unnecessarily or without their consent;
- disclosing confidential information to anyone who does not have legitimate business need to know;
- disclosing confidential information to third parties without prior written consent;

- breaching client confidentiality, even internally;
- using confidential information or inside information to assist you in dealing with other clients in the same sector; or
- using confidential or inside information for personal gain.

Potential Conflicts

All Personnel are aware of the potential conflicts the Firm could be faced with and will consider new events in the light of possible conflicts, and especially:

Personnel conflicts:

- where the personal interests of any Personnel conflict with the interests of the Firm itself or with a counterparty of the Firm;

Counterparty conflicts:

- where the interests of the Firm and its counterparties either directly conflict or are more generally incompatible; or
- where the interests of two or more counterparties either directly conflict or are generally incompatible;

Internal conflicts:

- where the interests between the Firm's internal units conflict; or
- where the interests between Firm and other Group entities conflict.

Personnel will report to Compliance any actual or potential conflicts of interest. Compliance will in the first instance investigate the issue.

Compliance will record the raised conflict of interest, the action taken and the reasoning behind the actions taken. The Firm requires its Personnel to report any potential conflicts so they can be managed promptly and successfully.

Compliance maintains a register of identified conflicts of interests.

It is important to note that except for very limited circumstances, the Firm and the companies in the Group do not conduct investment research or partake in proprietary trading thereby sharply diminishing the potentials for conflicts of interest between the Firm and its customers.

Disclosure of Conflicts

Where the Firm considers the arrangements in place to manage potential and/or actual conflicts of interest are not sufficient to avoid material risk of damage to a client's interest, the Firm will



disclose the general nature and/or sources of the conflict of interest to the client before undertaking any business for the client.

Declining to Act

Where disclosure is not considered adequate in light of the risks of damage to the interests of a client, the Firm will assess whether it would be appropriate for it to decline to act for the client.