

Conflicts of Interest Policy

1. Background

Link Financial Investments Limited (“LFIL” or the “Firm”) acts as ISA manager for certain life insurance-based products and for certain Open-Ended Investment Companies (“OEIC”). The life insurance-based products are provided by a third party. The OEICs are operated by Waystone Management (UK) Limited (“WMUK”), an affiliate of the Firm’s within the Waystone group of companies.

2. Regulatory Requirements

Under the Financial Conduct Authority’s (“FCA”) Principles for Business, specifically Principle 8, and related rules, LFIL is required to establish, implement and maintain effective systems and controls to identify, record, manage, and where applicable disclose conflicts of interest which are appropriate to the size, nature and complexity of its business.

LFIL must take appropriate steps to identify conflicts of interest that arise or may arise through the provision of investment or ancillary services where such conflicts may be between:

1. The Firm, including its employees and any person directly or indirectly linked to them by control, and client of the Firm; or
2. One client of the firm and another client.

This Conflicts of Interest Policy (the “Policy”) sets out the circumstances that LFIL has identified as giving rise to a conflict of interest, actual or potential, and describes the arrangements for identifying, recording, managing, and, where relevant, disclosing conflicts of interest.

LFIL seeks to act in the best interest of its clients, and where possible avoid conflicts of interest. Where LFIL is unable to avoid a conflict of interest in relation to its activities as ISA manager, it seeks to ensure that its clients are fairly treated and prevent the risk of damages to the interests of and to ensure that LFIL acts in the best interests of its clients.

For the purposes of this Policy, a conflict of interest generally arises when the Firm, or any Firm employee:

- 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 or activity 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 interests of one client group of clients over the interests of another client;
- Carries on the same business as the client; and
- 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 monetary or non-monetary benefits or service other than the standard commission or fee for that service.

3. Potential Conflicts Activities

The following non-exhaustive list provides examples of activities that may give rise to conflicts and the accompanying controls LFIL has implemented in order to manage the potential conflicts.

3.1 Personal Account Dealing

A conflict may arise where an LFIL employee undertakes personal account dealings, including personal investments in securities which are held by Funds operated by the Firm’s affiliate, WMUK, or in units of LFIL operated Funds. This may cause a conflict between LFIL’s employees and its clients as this may encourage ‘front running’ or the use of inside or confidential information for personal gain at the detriment of the Scheme or the Scheme’s investors.

Any potential conflicts are managed via a detailed Personal Account Dealing Policy that restricts and imposes controls upon personal transactions in securities. Transactions in certain securities require pre-approval and reporting requirements in order to manage the conflict and related risks. Transactions in OEICs, AUTs or any other Collective Investment

Scheme operated by the Firm's affiliate, WMUK, require pre-approval. Policies and procedures also exist which seek to prevent all employees from insider trading, trading in possession of material, non-public information ("MNPI") or confidential information. Targeted periodic training is provided to employees who perform roles which may see them more likely to be exposed to MNPI or confidential information. Further, employees are required to periodically attest to adherence to the personal account dealing policy.

3.2 Gifts and Hospitality

Conflicts might arise from gifts, hospitality, or any other form of gratuity or inducement given or received by LFIL or where employees offer any such encouragement which might influence the business relationship between the Firm and third parties.

The Waystone group of companies *Gifts and Hospitality Policy* has been adopted by LFIL to manage the associated risks. This is supplemented by LFIL procedures and guidance to the business which outlines circumstances where the provision or receipt of gifts and hospitality, in addition to approval and reporting requirements, are permissible.

All LFIL employees are required to undertake anti-bribery and corruption computer-based training and to attest to adherence to the Firm's policies on a periodic basis.

3.3 Outside Business Interests

The Firm's employees, directors and non-executive directors may have outside business interests such as external directorships, trusteeships or serve in other alternative roles either within the Waystone group of companies or in non-Link organisations. Holding such outside business interests may give rise to a potential conflict due to having an economic or other interest in an entity with which the Firm interacts on behalf of its clients.

LFIL's policy requires that employees disclose and seek approval to undertake (or continue to undertake for new joiners) any activity of a professional, business, occupational or fiduciary nature whether or not they receive remuneration for the activity. Failure to do so can result in the withdrawal of the offer of employment or termination.

3.4 Commercial Interests and the Interests of its Clients

The Firm acts as ISA Manager to the Prudential ISA. It is remunerated for doing so by a company within the M&G group, as disclosed in its Terms and Conditions.

It is possible that the commercial importance of this relationship could give rise to a conflict between its interests and those of its clients, although both the Firm and the Prudential are subject to the same regulatory obligations in this regard and investors into the PruFund Funds are also clients of the Prudential. The Firm works closely with Prudential to ensure the relationship operates effectively and in line with clients' interests.

4. Conflicts Prevention and Management

LFIL has an obligation to manage any conflict of interest in such a way as to ensure that the clients' interests are not adversely affected. This obligation is closely tied to the general obligation to treat customers fairly. LFIL has put in place the following systems and controls to identify and manage conflicts:

- **Segregation of Duties** – the Firm will, on an ongoing basis, review the responsibilities and authority of employees to ensure that they are appropriately segregated so as to mitigate and manage conflicts of interest insofar as possible. This is achieved by physical and technological means, where staff have access to information on a 'need to know' basis. This also ensures no single person is able to solely initiate transactions, legally oblige the Firm or make payments;
- **Training** – ensuring employees are sufficiently trained and aware so that LFIL may identify and manage conflicts of interest appropriately;
- **Identifying and Recording** – any actual or potential conflicts that exist within its business or that may occur as the result of any change to its business activity or structure;
- **Conflicts Register** – maintaining a conflict of interests register, which contains a record of the identified conflict of interests (potential, actual or perceived) and the steps taken to manage those conflicts such as:
 - Avoided, often the preferred solution, by either ceasing an activity or by not commencing the activity;
 - Mitigated to an acceptable level so that management can be certain that no client will be impacted by the conflict; and
 - Where it is not possible to be certain with reasonable confidence that the consequences of a conflict can be mitigated, then to make a full disclosure of that conflict, only as a last resort;

- Culture – LFIL fosters a culture which promotes always acting in the best interest of its clients; and
- Reviewing Conflicts – each conflict must be regularly reviewed by the conflict owner to determine that it continues to be a relevant conflict and the controls by which it is either avoided or managed remain effective.

4.1 Conflicts Disclosures

Where arrangements made by LFIL to prevent or manage conflict of interests are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a client or group of clients will be prevented, LFIL will make an appropriate disclosure which includes:

- the general nature and/or sources of conflicts of interests;
- the risk to the client that arises as a result; and
- the steps undertaken to mitigate these risks before undertaking business for the client.

Disclosure is a measure of last resort to be used only when existing controls are not sufficient to manage the conflict.

4.2 Declining to Act

If LFIL that it is unable to manage a conflict of interest using the established processes and procedures, or where disclosure is deemed to be an inadequate way of managing a specific conflict, it will consider declining to act as ISA Manager or in respect of a transaction or transactions. Similar to the disclosures, declining to act is a measure of last resort and only used when LFIL considers acting as ISA manager would be contrary to its obligations to treat customers fairly.

5. Interlinking Policies

To enable an effective culture of conflicts management, LFIL has in place discrete but interlinking policies within which the Company and its employees must operate. These policies by their very nature are either designed or require that a person considers the consequence of an action and the impacts this could have in conflicting with the duty owed to a client.

6. Responsibility

It is the responsibility of each employee to adhere to the LFIL Conflicts of Interest Policy.

7. Oversight

LFIL, through its governance arrangements, assesses the effective operation of its Conflicts of Interest Policy by reviewing on a regular basis the:

- Conflicts of Interest register;
- Policies and processes designed to mitigate the potential risk of a conflict occurring which is then not managed to an appropriate standard; and
- Level of employee adherence to required training that supports the management of conflicts.