

# **Mayfair Capital Investment Management Limited**

## **Conflicts of Interest Policy**

**FCA Ref Number: 229228**

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## **CONFLICTS OF INTEREST**

### **Introduction**

Conflicts of interest may arise as a result of:

- ownership structure;
- business relationships between asset owners and asset managers, and/or the assets they manage;
- differences between the stewardship policies of managers and their clients;
- cross-directorships;
- fund, client or beneficiary interests diverging from each other

In 2020 MCIM adopted the principles of the UK Stewardship Code 2020 (“Code”). Principle 3 of the Code specifies that signatories to the Code manage conflicts of interest to put the best interests of clients and beneficiaries first, including disclosing their conflicts policy and how they identify and manage conflicts, etc. This policy is consistent with the principles for handling conflicts of interest as set out in the Code.

The Firm is part of the Swiss Life group of companies and, as such, the above noted controls and inventory shall also take into account any circumstances, of which the Firm is or should be aware, which may give rise to a conflict of interest arising as a result of the structure and business activities of other members of the group.

### **Identification of Conflicts**

The Firm’ Board of Directors is responsible for implementing systems and controls designed to prevent conflicts of interest in the business of the Firm. These are outlined in the Conflicts Inventory, which is updated as and when a new conflict is identified and reviewed overall on a periodic basis.

### **Conflict Prevention**

Where a potential conflict is identified, the Firm will seek to organise its business activities in a manner that prevents the crystallisation of the conflict. This will include the appropriate segregation of functions and business lines such that a level of independence may be achieved. To the extent appropriate to the size and scale of the business, this may involve, inter alia:

- Information barriers to prevent or control the exchange of information between employees engaged in activities involving a risk of conflict of interest where the exchange of that information may harm the interests of one or more clients.
- Functional independence and separate supervision of relevant employees whose main functions involve carrying out activities or providing services for clients whose interests may conflict, or otherwise represent interests that may conflict.
- A review of remuneration arrangements in the Firm where these might give rise to conflicts of interest in relation to the activities or services provided by the relevant employees.

- Reassignment of employees to prevent or control the simultaneous or sequential involvement of relevant employees in separate services or activities where such involvement may impair the proper management of conflicts of interest.
- Policies and procedures covering Inducements, PA dealing and external interests.

However, it is accepted that, despite the implementation of all appropriate controls to prevent the occurrence, the complete avoidance of all conflicts may not be feasible in a commercial environment.

### **Conflict Management**

Where conflicts are unavoidable, the Firm will take appropriate measures to mitigate and manage such conflicts in a manner that seeks to ensure that the Firm and its employees are not advantaged and that no client is adversely effected. The clients' best interests remain paramount.

### **Conflicts Disclosure**

Where the Firm is not reasonably confident that it is able to manage a particular conflict to adequately protect the interest of a client, the fact of /or sources of conflicts of interest will be clearly disclosed to the client before the Firm undertakes any business.

In particular, the disclosure will detail:

- A specific description of the conflicts of interest;
- An explanation of the risks to the Client that arise;
- 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; and
- Sufficient detail to enable that Client to take an informed decision with respect to the service in the context of which the conflict of interest arises.

This disclosure will only be made as a matter of last resort. Further, the fact of the disclosure is not considered to be a mitigant. All the controls detailed in this policy will continue to be applied, in respect of that conflict. The disclosure will be made via the terms of business and/or periodic reports.

### **Conflict Monitoring**

The Firm has implemented a number of procedures and controls to detect conflict situations as they arise and the Firm's Board of Directors shall ensure that the Conflicts Inventory is updated accordingly. Once conflicts have been identified, further procedures and controls monitor the effectiveness of the management arrangements of such conflicts.

In addition, the Firm's Compliance Monitoring Programme incorporates a certain number of specific tests which are aimed at reviewing the Firm's performance in the management of conflicts that it has identified.

### **Conflicts Reporting and Management Information**

The Firm's Board of Directors shall review on a periodic basis the Conflicts Inventory, register of Outside Business Interests and the results of any conflicts monitoring where exceptions have been raised. Where deficiencies are reported, the Firm's Board of Directors will ensure that appropriate steps are taken to address the identified deficiencies. The Conflicts of Interest Policy shall also be reviewed and ratified on an annual basis.

### **Outside Business Interests ("OBI")**

Conflicts of interest and reputational business considerations may arise where employees or persons connected to them have interests that are unconnected to the individual's role within the firm.

Examples of such OBI include but are not limited to:

- executive and non-executive directorships, including such appointments where the employee represents the interests of MCIM or any member of the Swiss Life group;
- political appointments;
- military or emergency services appointments;
- public appointments with church bodies, schools, charities and other not-for-profit organisations;
- acting as a trustee;
- consultancy and advisory roles.

The following underlying principles apply:-

- Any OBI must not prevent the employee from fulfilling the requirements of their employment contract with MCIM, in particular the working hours;
- Any OBI must not lead to a conflict of interest with any business or client of MCIM or any member of the Swiss Life group;
- Any OBI must not create any significant financial, operating, regulatory, reputational or other risk to MCIM or any member of the Swiss Life group;
- Any outside public or political function must be undertaken in the individual's own name and at their own risk.

Employees must:

- disclose and seek approval in writing for any existing OBI when they join MCIM;
- obtain pre-approval in writing before entering into a new OBI;
- notify any OBI of connected persons in writing;
- disclose in writing whether they or their connected persons have or have had any material connection to a present service provider of the firm for the past six months.

All disclosures, requests for approval and other correspondence regarding OBI should be made in writing to the Compliance Officer. The Compliance Officer will seek consent as necessary from the Firm's Board of Directors. All consented OBI are recorded on the list of outside business interests maintained by the Compliance Officer.

Employees must notify the Compliance Officer as soon as possible in writing of any significant change in an OBI. The Compliance Officer will decide whether the outside activity needs to be re-approved. Such re-approval is required in the event of:-

- a conflict of interest with any business or client of MCIM or any member of the Swiss Life group;
- the time commitment has increased by 5 hours a week or more;
- legal proceedings affecting the outside business or organisation.

Remuneration from OBI is treated as follows:

- All remuneration derived from external appointments where the employee is representing MCIM or any member of the Swiss Life group should be paid to MCIM or Swiss Life as appropriate;
- All remuneration derived from other activities is retained by the individual;
- Reimbursed expenses from all activities are retained by the individual.

Controls:

- The Compliance Officer may request that outside activities are confirmed once a year;
- Spot checks may be carried out on risk-based criteria.

#### **Notification of conflicts to the Compliance Officer**

Employees must ensure that they notify, and where applicable, obtain permission from the Compliance Officer prior to entering into an arrangement or agreement that could potentially conflict with the Firm's duties to its clients.

#### **Education and Awareness**

Employees must comply with the operating controls and procedures established by the Firm. If employees are unsure whether a conflict exists, or require guidance on the mitigating controls, they shall consult with the Compliance Officer.

Employees are made aware of, and have access to, the Firm's Compliance Manual which contains the Firm's conflicts arrangements. In addition, employees are required to give an annual undertaking of adherence to the Firm's Compliance Procedures, including Personal Account Dealing and receipt of Gifts and Inducements.

Employees also receive both formal and informal training in respect of conflicts of interest generally and on specific or potential conflicts to the Firm.