Thistledown Investment Management Limited

Conflicts of Interest Policy

Version – April 2018

1 Introduction

Thistledown Investment Management Limited ("TIM") is authorised and regulated by the Financial Conduct Authority under number 510041, This policy sets out in summary how TIM identifies, seeks to eliminate and where elimination is not possible to effectively manage and disclose conflicts. This policy is a public document and supplements further internal policies and procedures.

2 Basis of the Policy

TIM believes the success of its business depends on clients' confidence in the integrity and professionalism of its personnel. Integrity requires, among other things, being honest and candid. Deceit and subordination of principle are inconsistent with integrity.

The FCA has a series of overarching principles that set out at a high level how firms are expected to operate. Under the FCA's Principle for Business, Principle 8 (Conflicts of Interest) TIM are required to pay due regard to the interests of each client and to manage any conflicts of interest fairly, both between itself and its clients and between a client and another client. The specific rules for dealing with conflicts of interest can be found under the Senior Management Systems and Controls (SYSC) section of the FCA rules.

3 Changes due to the introduction of MiFID II on 3 January 2018

Under Directive EU2014/65EU ("MiFID II") regulated firms such as TIM are required to consider all risks rather than material risks associated with conflicts of interest. MiFID II places a greater emphasis on the management of/elimination of conflicts rather than disclosure. As stated in paragraph 2, TIM has always sought to manage any conflicts of interest fairly and pay full regard to our clients' best interest and as such we believe our actual behaviour is in accordance with the MiFID II standards. Nevertheless this document includes additional detail on the conflicts that we face and how those are managed.

4 What does our conflict of interest policy aim to achieve?

Identify any potential circumstance which may give rise to conflicts of interest, and which pose a material risk of damage to clients' interests:

(i) establish and maintain procedures that whenever possible prevent conflicts of interest arising;
(ii) if a conflict exists consider whether it is possible to eliminate the conflict;
(iii) if a conflicts exists, establish appropriate mechanisms and systems to manage those conflicts;
(iv) maintain systems in an effort to prevent actual damage to clients' interests through the identified conflicts; and
(v) where conflicts cannot be avoided to make sufficient disclosure to the client such that the client is able to make an informed decision based on the conflict.

5 What is a Conflict of Interest?

Conflicts of interest appear in situations where TIM:

(i) is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
(ii) 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;
(iii) has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
(iv) carries on the same business as the client;
(v) manages a cost on behalf of a client e.g. if we manage investments that incur commissions or other cost which are borne by the client;
(vi) if our management or staff trade in the same or similar financial instruments as our clients;
(vii) advises you to invest in a fund managed by us; or
(viii) 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.

6 What do we do about conflicts?

TIM has sought to identify conflicts of interest that exist in its business and has put in place measures it considers appropriate to the relevant conflict in an effort to monitor, manage and control the potential impact of those conflicts on its client. TIM has adopted numerous internal policies and procedures, often set out in its Compliance Manual, in order to prevent conflicts arising and to manage recognised conflicts of interest. TIM monitors and regularly evaluates the adequacy and effectiveness of its systems, internal control mechanisms and arrangements in relation to conflicts of interest and will take appropriate measures to address any deficiencies

a) Dealing on own account

TIM does not deal on its own account. The firm is never a counterparty to any trade with a client. TIM never has any positions in financial instruments we are trying to exit by selling them to a client nor are we ever trying to build up a position in financial instruments for our own benefit by buying shares or other instruments from a client.

b) Investment by the principals of TIM alongside investment by clients

As part of our alignment of interests with our investors the principals and employees of TIM make investment into funds managed by TIM. With the exception of fees such investment is pari-passu with the investment made by investors.

c) Conflicts between funds

TIM has clear policies to deal with the potential situation whereby more than one fund may invest in any project. These policies are clearly stated in the offering documents for the funds.

d) Client Orders

TIM does not take orders from clients.

e) Personal Account Dealing

TIM operates a personal account dealing regime and the rules are signed off as understood by all relevant employees regardless of their position within the company. The policy is designed to properly avoid/manage conflicts of interest between trading by staff and trading by the firm on behalf of clients.

f) Receipt of services from brokers including investment research

TIM assesses all services that it receives from brokers against the MiFID II inducement rules. TIM pays for all research out of its own profit and loss.

g) Funds Managed by TIM

TIM manages certain funds and receives management and performance fees for doing so. A potential conflict of interest arises due to the asymmetrical impact of performance fees. TIM operates a strict risk management policy that is designed to prevent excessive risk taking. TIM believes that it is whilst in the short-term there is a potential conflict of interest generated by performance fees in the long-term performance fees align the interests of the firm with those of its clients and the management are committed to the long term success of the firm

h) Gifts and Entertainment

We have rules regarding the receipt of gifts and entertainment. Employees are not allowed to accept gifts, entertainment or any other inducement from any person which might lead them to benefit one client at the expense of others when conducting investment business. In order to achieve this we have a policy whereby all gifts and entertainment above pre-set limits have to be approved by the compliance officer. The compliance officer will only sanction occasional items above the pre-set limits if he is satisfied that the acceptance of the gift or entertainment does not generate a conflict.

i) Chinese Walls

Where appropriate we will manage conflicts of interest by the establishment and maintenance of internal arrangements restricting the movement of information within the Firm. This requires information held by a person in the course of carrying on one part of our business to be withheld from (or not to be used by) persons with or for whom we act in the course of carrying on another part of our business. Such an arrangement is referred to as a Chinese Wall and can include hierarchical separation and physical barriers between the activities likely to involve conflicts of interest, thereby aiming to prevent any undue transmission of information.

j) Remuneration Policy

We have a remuneration policy that is designed to reward staff for their performance. We regard the fair treatment of clients as critical to our success and when deciding how to reward staff. The compliance of staff with our compliance processes and their commitment to the fair treatment of client are a key part of the remuneration decision.

k) Disclosure

As a last resort, where there is no other means of managing the conflict or where the measures in place do not, in TIM' opinion, sufficiently protect the interests of the client, the conflict of interest will be disclosed to the client to enable an informed decision to be made by the client as to whether they wish to continue doing business with TIM in that particular situation.

l) Declining to Act

Where TIM considers it is not able to manage the conflict of interest in any other way, it may decline to act for the client.