

Customer Conflicts of Interest Policy

Marlborough Group

December 2024



1. Purpose

This document is designed to provide customer understanding on how the Marlborough Group maintains and operates effective organisational and administrative arrangements, taking all reasonable steps to prevent a conflict from adversely affecting the interest of its customers.

The Marlborough Group has a legal and regulatory responsibility to establish effective controls to manage conflicts of interest.

2. Scope

To support a consistent approach, the below FCA regulated firms of the Marlborough Group Holdings Limited have in place formal Group Conflicts of Interest Policy and controls. All staff members and people linked to the Marlborough Group are required to follow this Policy to ensure that the interests of customers are protected.

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|--------------------------------------------------|---|-------------------------------------|
| Investment Fund Services Ltd | - | FCA reference number: 464193 |
| Marlborough Investment Management Limited | - | FCA reference number: 115231 |
| Marlborough Select Platform Limited | - | FCA reference number: 756360 |

For the purposes of this Policy, these entities are collectively referred to as 'us', 'we', 'our', 'firm' 'Marlborough Group' or 'Group'.

3. Regulatory Overview

The Financial Conduct Authority ("FCA") considers the identification and management of conflicts of interest to be of the utmost importance to the integrity and effective management of a firm. Indeed, one of the FCA principles for business focuses on this, *Principle 8 'A firm must manage conflicts of interest fairly, both between itself and its customers and between customers and another client'*.

The FCA's expectations in relation to conflicts of interest can be found in SYSC 10, although specific rules around conflicts can also be found elsewhere in the FCA Handbook.

The FCA describes circumstances which should be treated as giving rise to a conflict of interest to include, 'where there is a conflict between the interests of the firm or certain persons connected to the firm or the firm's group and the duty the firm owes to a client; or between the differing interests of two or more of its clients, to whom the firm owes in each case a duty'.

For us, this means that all reasonable steps should be taken to identify and manage:

- a conflict between the interests of Marlborough Group (including its regulated firms, Directors, employees or any person linked to the firm) and a customer; or
- a conflict of interest between two or more customers, including the funds managed by the Group.

Investment Fund Services (IFS) must also specifically consider the interests of the firm, including those deriving from its belonging to a 'group', and the duty of the firm towards the funds it manages.

4. Policy

The following minimum standards and controls have been introduced at the Marlborough Group to manage conflicts of interest risks.

4.1 Types of conflicts of interest

Conflicts of interest can be of varying types and can occur within all business areas; all may damage the interests of other parties. This includes 'actual' or 'potential' conflicts.

Conflicts of interest could arise between:

- a firm within the Group or an employee (or any person directly or indirectly linked to them by control) and a customer,
- one customer and another customer (this includes existing customers, potential customers and funds for which we act as authorised fund manager),
- one of our UK entities and its providers of outsourced activities or suppliers of services,
- different entities within the Group; whereby the respective interests of individual entities within the Marlborough Group may be different, or
- between Statutory Directors and the Company, or
- between Statutory Directors and a third-party company linked to any transaction involving the Company for whom they act as a director.

Any circumstances which may give rise to a conflict should be considered and assessed under this Policy. Even if a conflict does not crystallise, a potential conflict of interest can create a perception of impropriety or poor conduct, which could undermine confidence in us.

4.2 Identifying conflicts of interest

In the course of business, an actual or potential conflict that may arise could include:

- making a financial gain, or avoid a financial loss, at the expense of a customer,
- an interest, distinct from the customers' interest, in the outcome of a transaction or service provided to, or on behalf of a customer,
- a financial / other incentive to favour a customer or customer group over the interests of others,
- accepting gifts, hospitality, or an inducement which is considered to influence the integrity of employees and conflict the interest of customers,
- the use of confidential information in a way which would be detrimental to the interests of our customers,
- ineffective segregation or prioritisation of duties within business areas which leads to a conflict of interest between the business areas that would place the interests of customers of one area over another,
- a remuneration structure which encourages employees to behave in a manner which would be detrimental to the interests of customers, or

- employees and Directors entering into directorships, employment or personal interests outside of Marlborough Group.

4.3 Managing conflicts of interest

Once a potential or actual conflict has been identified which has the potential to damage the interests of the customer, whether at entity or personal level, all reasonable steps must be taken to manage or prevent it.

The Marlborough Group has established robust policies and procedures to manage potential conflicts of interest. All staff are required to undertake suitable training around conflicts of interest and our associated policies and procedures. Our controls are considered to be appropriate to effectively manage the conflicts and mitigate risk to customers.

The systems and controls we have implemented to manage these conflicts are summarised below; however, this list is not exhaustive.

Personal account dealing

Marlborough has established and maintains an employee dealing policy and procedure that set out our personal account dealing controls. These controls are focused on preventing staff from engaging in investment activity that may give rise to a conflict of interest or that may amount to market abuse.

Order execution

The processing of orders is subject to our execution policies, which aim to manage any potential conflicts and ensure orders are processed to receive the best possible outcome with consideration of the execution factors.

Remuneration

The Group's remuneration is subject to our remuneration policy. This includes measures to avoid conflicts of interest between the firm, employees and customers. Our remuneration is structured to meet the principles of the FCA's Remuneration Code.

Inducements, gifts and hospitality

A conflict of interest could arise where the firm provides or received a gift, hospitality or an inducement in the form of fees or commissions. The Group employees are required to adhere to our Anti Bribery and Corruption Policy and Gifts and Hospitality procedures and controls, which are embedded to prevent situations in which they have, or could have, an interest that conflicts, or potentially may conflict, with the interest of the firm or customers.

Director conflicts

Under the Companies Act 2006, Directors are required to avoid situations in which they have, or could have, an interest that conflicts or may conflict with the interests of the firm. Directors are required to declare any new transactional or situational conflicts at each Board meeting for approval (or otherwise) by those Board members not affected by the conflict.

External employment and personal interests

The Group's employees may have an outside business interest, employment, directorship, significant shareholding or relationship with an entity or individual

connected to an entity whose interest may conflict with their role at the Marlborough Group, its business interests or the interests of its customers. The Group's employees are required to report such interests, and where the conflict cannot be avoided, a conflict management plan must be put in place, to manage, monitor and regularly review the interest to prevent the conflict from causing any detriment to business or its customers.

Segregation of duties

A conflict of interest could arise between different business areas and entities functions. To mitigate this risk, the Group has identified areas where potential conflicts may occur, these are subject to a conflict management plan.

Information security

In the course of business, we may receive confidential or sensitive information. A conflict may arise if this information is used inappropriately by our employees outside the purpose for which it was provided, for personal or other benefit, to the detriment of customers. We are committed to ensuring the confidentiality and integrity of information, including through the use of information barriers where appropriate.

The controls which manage or prevent these conflicts are reviewed and assessed for adequacy and effectiveness at regular intervals and are subject to independent review by the Group Compliance Monitoring Team.

Customer disclosure

If the arrangements made by us are not sufficient to prevent the risk of damage to the interests of the customers, we will disclose to the customer, before undertaking any business for that customer

- the nature and source of the conflict, and
- the steps which have been taken to mitigate any risks.

The disclosure will be made in a durable medium and will provide sufficient information to enable the customer to make an informed decision regarding the service offered. In the event of a conflict whereby the firm is unable to effectively manage the risk, we may consider declining to act for the customer where it is reasonable to do so to prevent damage to the customer.

4.4 Recording conflicts of interest

All potential and actual conflicts of interest identified are recorded in a Conflicts of Interest Register.

4.5 Reporting conflicts of interest

The Conflict of Interest Register relevant to each regulated entity within the Group are reported to Senior Management through the Executive Committee meeting. These are reported on at least an annual basis to facilitate management oversight of all conflicts of interest including the conflict management plans.

Additionally, the Conflicts of Interest Register is presented to the individual entity Boards, to satisfy the statutory requirement for Director's interests as well as ensuring appropriate Board oversight of conflicts.

5. Roles and responsibilities

Marlborough Group have in place documented controls and procedures which govern the roles and responsibilities of employees in respect of conflicts of interest. In summary, all employees have a responsibility to identify, report and manage conflicts of interest, with senior managers and conflict owners having additional responsibilities.

The regulated firms' Boards, Senior Managers, and Compliance Officers play an essential role in supporting employees to identify and manage conflicts of interest risks appropriately.

6. Policy compliance

Through this Policy, the Group is committing to comply with all relevant regulatory expectations and in accordance with its corporate governance. This is achieved through:

- organisational management,
- training,
- charters, frameworks, policies, processes, procedures and guidelines, which are current,
- adherence to charters, frameworks, policies, processes, procedures and guidelines,
- Group Compliance monitoring,
- governance committees, and
- Internal audit.

Compliance with this Policy is mandatory for the firms in scope.

Non-compliance

Any employee who fails to comply with the Group's Conflict of Interest Policy and controls may be subject to further action. Where the failure to comply results in detriment, the conflict of interest will be independently considered by Compliance who will determine the requirement for disclosure to any affected parties.

The Group has Whistleblowing channels in place and any employee can escalate any incidences where they become aware that conflicts of interest are not appropriately being addressed via these channels, which are documented in the Group Whistleblowing Policy.

Difference Made.