



HOST CAPITAL
GLOBAL FUND MANAGEMENT

CONFLICTS POLICY

June 2016

Host Capital Limited
Global Fund
Management

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Overview

A conflict of interest is a situation in which someone in a position of trust has competing professional or personal interests. Such competing interests can make it difficult to fulfil his or her duties impartially. A conflict of interest may exist even if no unethical or improper act results from it.

Host Capital Limited (HCL) is committed to identifying, monitoring and managing all actual and potential conflicts of interest that can raise between us, our client and funds we manage.

Identification of Conflicts

The Principals identify and document the key conflicts (actual and potential) faced by the Firm in its day to day business in the Conflicts Inventory below. This inventory will be periodically reviewed or updated when a new conflict is identified.

Conflict Avoidance

Where a conflict is identified, the Firm will seek to organise its business activities in a manner which avoids such a conflict. However, the avoidance of all conflicts is generally not 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 or its Personnel are not advantaged, and that no Client is disadvantaged.

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 general nature and/or sources of conflicts of interest will be clearly disclosed to the Client before undertaking any business.

Conflict Monitoring

The Firm has implemented a number of procedures and controls to detect conflict situations as they arise, and the Principals will update the Conflicts Inventory 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 the specific tests aimed at reviewing its performance in the management of conflicts that the Firm has identified.

Education and Awareness

All Personnel receive a copy of the Firm's Compliance Manual containing the Firm's conflicts arrangements. In addition, all Personnel are required to give an undertaking of adherence to the Firm's compliance procedures, including personal account dealing and receipt of gifts and inducements.

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

Conflicts Inventory

Trading and Investment Conflicts

The Firm faces a variety of common trading and investment conflicts, which to a large degree are managed by existing regulatory requirements arising in the context of its conduct of business.

Issue	Potential Conflict	Management Arrangements
Allocation of transactions	Investment opportunities between Clients; or between the Firms, it's Personnel and Clients; may be allocated more preferably to one party, disadvantaging one or more Clients.	Where an investment opportunity arises in which more than one client or Fund can Participate, the investment will be allocated prorata to the Investment Capital available
Favouring counterparties	In the execution of transactions, the Firm may favour certain counterparties over others where such counterparties offer the Firm or its Personnel other products, services, allocations, or other gifts, entertainment or benefits (whether in a professional or personal capacity).	The firm will not favour any counterparty over another for reasons of inducements or benefits which do not have a direct benefit to the Clients or the Funds.
Conflicting positions or trading strategies	Having a conflicting position in securities or adopting conflicting trading strategies for different Clients such that dealing for one Client may potentially be detrimental to the other.	HCL within its legal agreements, states that delegated investment managers are expected to identify and resolve any potential conflicted positions or trading strategies and insure at all times that resolution of such conflicts are implemented in such a manner which is consistent across all clients/Fund shareholders. Each delegated Investment Manager is required to report any conflicts and confirm what procedures

Management and performance fees

A failure to properly disclose the amount and basis of calculation of, the fees and commission charged on a particular fund, could give rise to a conflict of interest between the interests of the Firm, its Clients and those of Investors.

are in place to resolve such conflicts.

All Management and Performance Fees are fully disclosed within the Fund's Prospectus, which is available on client request.

Pricing and Valuation Conflicts

The Firm is remunerated by reference to the total funds under management as well as to the performance of the Fund(s), which in turn is determined by the value of the assets in the Fund(s).

Issue	Potential Conflict	Management Arrangements
Fair valuation of financial instruments	Seeking to overstate or otherwise have influence over the fair valuation of securities and other financial instruments and in particular those which may not have a quoted market price or which may otherwise be difficult to value accurately.	All securities held by a HC Fund are either valued using 3 rd party pricing sources and where not available through independent valuations sources. Where prices are not available the ACD Fair Value Pricing Policy will be invoked and followed.
Pricing and valuation errors	Not taking sufficient action to rectify pricing and other valuation errors or anomalies where to do so would have a negative impact on the price and value of those securities.	HCL employs a zero tolerance policies to Pricing Errors and will rectify any pricing as per COLL 6.3 requirements
Valuation Policy	Not implementing a valuation policy or deviating from the policy which may impact on the fair valuation of financial instruments.	HCL at all times follows the Valuation Policy as laid out in the Prospectus and in accordance with COLL 6.3

Information Distribution and Disclosure Conflicts

The Firm may disclose different levels of information to its Client(s) or Investors; or may hold information that is not permitted to be used for other Clients.

Issue	Potential Conflict	Management Arrangements
Side letters and preferential terms	Certain Investors may request preferential treatment or provision of information compared to other Investors in the same Fund(s), which may give rise to a conflict of interest between the interests of Investors to whom preferential rights have been granted, and the interests of Investors to whom preferential rights have not been granted.	HCL will only enter into such arrangements where the arrangement Treats Customer Fairly and does not favour one client over the other.
Handling sensitive and confidential information	Inappropriate handling of sensitive or confidential information (whether inside information or not) or using such information to trade inappropriately to the detriment of other Clients.	HCL has its own Market Abuse Policy. Which includes HCL Personnel are not allowed to deal, either for a client, themselves or a family member in any investment about which HCL or the individual has inside ,sensitive, confidential or not yet published information. A list of all stocks where sensitive information is held by HCL is kept. HCL, as Authorised Corporate Director delegates Investment Management Function to 3 rd parties. All 3 rd parties are required to have their own internal Market Abuse Policy.
Chinese walls/ physical barriers to information distribution/attribution	Where the Firm implements Chinese walls or physical barriers to information distribution, there may be inadequate monitoring of	Where a conflict arises involving a delegated manager HCL will ensure that the delegated

such barriers or governance of those individuals above the Chinese wall/ on either side of the barrier to prevent distribution of information.

Investment Manager has the appropriate Chinese walls in place.

Personnel Conflicts

The Firm aims to employ experienced and professional Personnel. However, the actions of a member of Personnel may be influenced, or create an influence over the activities of the Firm.

Issue	Potential Conflict	Management Arrangements
Personal account trading	Personnel may trade on personal account in an inappropriate manner, including to the detriment of Clients.	All HCL personnel are required to obtain approval from the Compliance officer to enable them to trade or deal in any HC Fund or any securities available. Failure to follow the HCL PA dealing policy will result in a Misconduct hearing.
Inducements and entertainment	Personnel may be influenced in making investment or trading decisions or outsourcing selections when entertainment or other forms of inducement are provided.	The policy of the Company specifically prohibits any appointment of any 3 rd party due to inducements/entertainment. Furthermore all entertainment under £150 will be notified to the Compliance Officer, and any gifts/entertainment above £150 needs the prior approval of the Compliance Officer.
Remuneration of employees	Remuneration structures may be created that incentivise a member of Personnel to conduct their role within the Firm in a manner that conflicts with the Firm's regulatory obligations and/or its Clients.	HCL remunerates on a Salary and Bonuses bases. The Bonuses are based on Staff and Company Performance not on Fund Performance.
Influence of outside business interests or activities	Personnel who have outside commitments (i.e. directorships, business interests) may be influenced to act in a manner that conflicts with the interests of the Firm or its Clients	HCL has approval process in place for all staff that has outside work interest. Authorisation will only be granted where such interest will not conflict with that of HCL

Relationship Conflicts

The Firm needs to identify, manage and, where appropriate, separate external relationships.

Issue	Potential Conflict	Management Arrangements
Distribution relationships	Where the Firm has relationships with third parties for the distribution of the Funds and other investment products, they may be remunerated in a manner to incentivise the promotion of any one Fund or product over any other.	Where HCL engages 3 rd party distributors the terms of engagement require the distributor to follow the regulations to Financial Promotions and the distributor is specifically prohibited from offering financial inducements which are not applied in a manner which treats each Funds interest fairly
Investor relationships	Where the Firm has large or otherwise influential Investors they may be provided with greater fund transparency or provided with better fund liquidity.	HCL ensures that any Fund information provided is available to all Fund investors. HCL will not favour any one investor over another. At all times HCL adheres to the Treat Customer Fairly principals as set out by the FCA