

Conflicts of interest

This document describes the conflicts and potential conflicts that may arise during the course of our business and how we, Killik & Co, avoid or manage those conflicts.

Where we do not have conflicts

PROPRIETARY TRADING | We do not trade for our own account and so we do not have conflicts which would result from proprietary trading. The only assets that are held on behalf of the firm are within an error account, which is used only to correct any dealing errors that may arise during the course of business for clients.

CORPORATE FINANCE | We do not operate a corporate finance function and therefore we do not have any conflicts which would result from offering such services to corporate clients.

OWN FUNDS (COLLECTIVE INVESTMENT SCHEMES) | We do not operate our own funds, therefore all investment recommendations will be free from bias and based upon what is suitable and in the best interests of our clients.

Where we do have conflicts

Conflicts may arise:

1. During the production or publication of investment research
2. When we act for multiple clients
3. Where we act for discretionary and advisory clients
4. Where we are involved in the allocation of new shares through placings/Initial Public Offerings (IPOs)
5. Where our employees are in receipt of gifts or hospitality from clients, suppliers or business contacts
6. Where our employees have outside business interests
7. Where our employees trade for their own account
8. In how we remunerate our employees
9. Where we receive complaints about our service.

We seek to manage these conflicts in the following ways;

1. INVESTMENT RESEARCH

The Killik & Co Research Team operates in a manner that seeks to ensure the objectivity and independence of its research. The avoidance of potential conflicts of interest is a key consideration, so operational structures and procedures, password-controlled access to part of our systems and the clear independence of roles and responsibilities of the Research Team from other parts of the business that may receive the research, are all designed to work towards preventing any conflicts arising in the first place. Our

analysts do not receive, directly or indirectly, remuneration in exchange for expressing any opinion or recommendations in their reports.

2. MULTIPLE CLIENTS

We have a large client base and as such there may be times where the actions of one client conflict with the actions of another. For example where we recommend a stock to one client and take a sale order from another client. All of our clients have their own personal Investment Manager whose role is to advise or manage their investments depending upon the service that is required. Their personal Investment Manager will always act in their best interests based upon what is suitable for their needs. We operate a best execution policy which ensures that all orders are dealt with sequentially and without bias.

3. DISCRETIONARY VS ADVISORY CLIENTS

We offer both advisory and discretionary managed investment services. There will be times where an Investment Manager decides on a course of action for their discretionary clients which may be suitable for their advisory clients. They will be able to take action immediately for their discretionary clients due to the nature of the agreement with these clients. At Killik & Co we believe that there can only be one manager of your investments, under the terms of the advisory agreement, the client is the manager of their investments and as such they accept that they are responsible for initiating contact with their Investment Manager when they require advice.

4. PLACINGS/IPOS

From time to time, we may become aware of the issuance of new shares (Placings/IPOs) in a company where we would wish to purchase them on behalf of discretionary clients and may wish to recommend the purchase of such shares to advised clients according to their eligibility to participate. We will usually submit a single order covering all types of eligible client. However, there may be occasions where the corporate broker running the Placing/IPO requests a breakdown of how the order is made up, e.g. differentiating between our discretionary services, or between discretionary clients and advised clients. We will only volunteer a breakdown of our order (i.e. without first having been requested to do so by the corporate broker) if we feel it will be to the overall benefit of our allocation and where two Equity Partners of the firm have given authorisation.

Where we are not able to obtain all the shares we would like, and on occasion we may be far short of the requested amount, our policy is then to allocate investments on a pro-rata basis wherever practicable. Where we obtain such a small allocation of shares that we feel it is not practicable to make a distribution across all clients we wished to buy for, there may arise a conflict between clients, as we choose which clients should be asked to participate in the Placing. The alternative would be charging each client a fixed amount for a nugatory number of shares, which would neither be practicable nor acting in the best interests of our clients.

Before allocating investments to clients, we determine which clients have sufficient funds by the commitment date and both understand the investment's terms and conditions and are willing to be bound by them.

On the rare occasion that the corporate broker has requested or been given a breakdown of our order, they may dictate how the allocation is made. This could result in one group of discretionary orders being awarded a sizeable allocation and other clients of the firm receiving none or only a small amount to share between them. We will always try to tell clients at the point of placing our order if the corporate broker has requested or been given such a breakdown and the possibility that the resulting allocation may mean that one group of clients will be treated differently from another.

On other occasions, we may also be given a fixed number of shares with the allocation already determined by the issuing company, known as a "Chairman's list", where we are granted no discretion over the recipients of the shares.

5. GIFTS AND CORPORATE HOSPITALITY

It is the policy of the firm that staff may not accept gifts from clients that are lavish or disproportionate.

Where our staff are offered gifts or hospitality from suppliers or business contacts, if the value is over £100, there must be a clear benefit to our clients in them accepting the gift or hospitality. If there is no client benefit, the gift/hospitality will be declined.

From time to time the firm sponsors Barbarians rugby matches and hosts other events for the purpose of raising brand awareness and strengthening relationships with clients. We do not consider that this gives rise to any conflicts of interests.

All gifts and hospitality received by staff must be notified to and logged by the Compliance Department.

6. OUTSIDE BUSINESS INTERESTS

There may be situations where our employees operate their own business in addition to the role they carry out for us. We require all employees to disclose any such interests to us and restrict any that may conflict with their work at Killik & Co.

7. PERSONAL ACCOUNT DEALING

Our staff may operate their own personal dealing account subject to our internal policy. This policy requires pre-approval by a Partner of the firm for all staff trades and post trade review of all trades by the Compliance Department to check for any potential conflicts with client orders and to take action to remove any disadvantage to clients should a conflict be identified. Generally, staff orders must be dealt at the same time and on the same terms as client orders in the same stock.

In relation to Placings/IPOs, orders will include client orders and staff orders. Where the issue is scaled back, our policy is to allocate on a pro-rata basis across clients and staff alike. Staff must then retain the holding for a minimum period of 3 months.

8. REMUNERATION

Our employees are remunerated by a combination of salaries and discretionary bonuses. Discretionary bonuses are based upon the overall profitability of the firm as well as individual employee performance and conduct. We are not remunerated based on particular product recommendations and we do not offer our own funds. We monitor and supervise our investment managers' activities, including reviewing the advice given to clients, the frequency of transactions and the ratio of commission earned against value of assets under management to ensure we always act in our clients' interests.

9. COMPLAINTS

We operate a formal complaints procedure designed to ensure the fair treatment of clients. Where compensation is due to a client this may be financially detrimental to an investment manager and could prevent them from wishing to treat the client fairly. For this reason, the Compliance Department, which is independent of the investment manager client relationship, is responsible for investigating complaints and will treat each case fairly, competently and consistently.

If you would like to talk to us about this policy, our team would be delighted to help. To find your nearest branch click [here](#) or contact our head office on info@killik.com or [020 7337 0777](tel:02073370777).