

Sumitomo Mitsui Trust International Limited

Conflicts of Interest Policy

1. Statement of Principle

Sumitomo Mitsui Trust International Limited (“the firm” or “SMTIL”) conducts its business according to the principle that it must prevent or manage conflicts of interest fairly, both those between itself and its clients and those between one client and another. The underlying principle that must be followed at all times is that the interests of a client must be put before the interests of the firm and its employees.

For the purposes of this policy, clients include:

- existing clients of SMTIL;
- potential clients (where SMTIL is seeking individually to enter into a contractual relationship in respect of regulated business activities for investment management) ; and
- past clients where fiduciary or other duties remain in place.

This policy is governed by the requirements of the FCA as set out in FCA Principle 8 and under FCA rules as set out in SYSC 10.1.10 (R) and SYSC 10.1.11 (R).

2. What is a Conflict of Interest?

A ‘conflict of interest’ may exist, or perceived to exist, if an employee’s activity is, or may reasonably give the appearance of being, inconsistent with best interests of SMTIL itself or the best interests of SMTIL’s clients. Thus, a conflict of interest is any situation in which a person in a position of trust/responsibility has competing professional or personal interests that may prevent them carrying out their duties impartially.

A conflict of interest may also arise where there is a reason within SMTIL’s control that prevents it from putting the interests of clients before those of the firm and its employees, or the interests of one client or group of clients ahead of another client. In such a situation, the firm must pay due regard to the interest of each client and manage any potential conflict of interest accordingly. The test of what constitutes a conflict of interest is an objective one; namely, not what SMTIL or its employees thought at the time, but what an independent outsider looking into the firm would have thought.

SMTIL strives to maintain high standards of governance, personal and corporate ethics, compliance with laws and regulations and values and integrity honesty when dealing with employees, clients, regulators and third party suppliers.

3. Policy Objectives

This policy and the disclosure of conflicts of interest are not the only measures for the management of conflicts of interest. This policy establishes the minimum standards to ensure that SMTIL’s clients are treated fairly, honestly and professionally at all times and for SMTIL to take all appropriate steps to identify and to prevent or manage conflicts of interest both between SMTIL and its clients and related group entities.

Where practical to do so, the firm will arrange its business model to avoid conflicts of interest. For example, the firm does not carry out or permit to be carried out, any proprietary trading. It may not always be possible to prevent conflicts of interest from arising. Where this is the case, SMTIL manages conflicts of interest by further policies, procedures and controls, regarding Personal Account Dealing, Gifts and Entertainment, Inducements, Disclosure of Relationships, Outsourced Relationships, Intragroup

Transactions and other Risk Management procedures.

4. Limitations

SMTIL has a limited range of activities which substantially negate the possibility for conflicts to arise compared with many other investment firms, namely;

- SMTIL does not deal with retail clients and all clients are either professional clients or eligible counterparties.
- SMTIL does not act as a market maker in any investment.
- SMTIL does not undertake proprietary trading.

5. Aim and Scope of the Policy

SMTIL is required under FCA's Senior Management Arrangements Systems and Controls ("SYSC") rules to have in place arrangements to identify, to prevent or manage, to record, and to disclose the conflicts of interest and potential conflicts of interest that arise in its business. The firm is also required to establish, implement and maintain a Conflicts of Interest policy covering the identification and management of conflicts between the firm and its clients and between clients of the firm.

This policy applies to all individuals working at all levels of the firm, including senior managers, officers, directors, employees, contractors, consultants, part-time workers and agency staff, wherever located.

Employees must seek to avoid any influence which will interfere (or give the appearance of interfering) with their ability to perform their professional responsibilities objectively and effectively. Employees should always seek advice from Compliance if they believe that they might be involved in a situation involving a conflict of interest.

6. Responsibilities

To ensure the effectiveness of this policy, it is vital that responsibilities are clearly identified in order that conflicts of interest are managed effectively:

Senior Management: Senior management is responsible for approving the Conflicts of Interest policy, for overseeing its effective execution, and for taking consistent decisions in relation to how any new potential conflict should be managed if identified.

Compliance: The Compliance Manager is responsible for maintaining and updating the conflicts of interest policy, maintaining the record of conflicts of interest and for monitoring ongoing compliance with the policy. The Compliance Manager will undertake a Quarterly Review of the firm's Conflicts of Interest arrangements as part of the firm's Compliance Monitoring Review programme. The Compliance Manager will also report to the Board on any significant matter relating to Conflicts of Interest arising within SMTIL.

Employees: It is the responsibility of every employee to be aware of conflicts of interest or potential conflicts of interest in their respective roles and disclose to the Compliance Manager all interests (including any outside business interests) which could conflict with their own interests. They are also responsible for complying with any separately published policies related to conflicts of interest, such as those on Personal Account Dealing.

7. Identification of Conflicts of Interest

A firm is required to take all appropriate steps to identify and to prevent or manage conflicts of interest between the firm (including its managers, employees or persons directly or indirectly linked to them by control), and a client of the firm or between two clients of the firm that may

arise in the course of the firm's business.

In determining whether there is or may be a conflict of interest to which this policy applies, SMTIL considers whether there is a material risk of damage to the client where the firm (or any member of the firm's group), any of its controllers or employees:

- is likely to make a financial profit or avoid a financial loss at the expense of the client;
- has an interest in the outcome of a transaction which is different from that of the client;
- has a financial or other incentive to favour the interest of one client over another;
- carries on the same business as the client;
- is in possession of information obtained in the ordinary course of its business which would benefit the firm (or any member of the firm's group) or its other clients, but such information is not publicly known;
- receives or may receive an inducement (including monies, goods or services other than the standard fee or commission relating to that transaction for the client) from a third party other than the client; or
- may be conflicted by the firm's own remuneration and other incentive structures.

The firm has currently identified a limited number of conflicts of interest which could arise due to the nature of the business:

- Investment decisions undertaken on behalf of the funds managed by SMTIL may be influenced by the personal holdings or investment activity of members of SMTIL staff or clients;
- SMTIL staff may benefit from personal account dealing using information obtained from their position within the firm;
- Fees and commissions may be charged at different rates between different clients of the firm;
- Investment decisions undertaken on behalf of the funds managed by SMTIL could favour one fund or client over another;
- There is the possibility that SMTIL or its affiliated firms might act on the basis of investment research produced by or for SMTIL before such research is disclosed to SMTIL's clients;
- It is possible the investment research produced by or for SMTIL might be influenced by inducements received directly by SMTIL or its personnel from the subject of such research or by promises (whether fulfilled or not) of further business from the subject of such research;
- There is the possibility that information passing through the hands of SMTIL or its employees which belongs to a client or is obtained in the course of providing services to a client might be of benefit to SMTIL or its other clients if acted upon by them; and
- Those conflicts between SMTIL and any other company within the SuMi TRUST Group with competing interests.

8. Intragroup Conflicts of Interest

It is recognised that the various companies within the SuMi TRUST Group sometimes have diverging interests when it comes to an intragroup operation. An intragroup conflict may arise where two or more entities within the group are involved in, or have an interest in, the same transaction or circumstance involving SMTIL. Intragroup operations and transactions are permitted, but are subject to a procedure involving oversight by the Directors of SMTIL to determine whether such transactions are transparent and are at arm's length. SMTIL would undertake a suitable course of action to manage the conflict(s) of interest in line with the SMTIL Conflicts of Interest Policy and SuMi TRUST Group Conflict of Interest Management Policy: SMTIL would seek to:

- a. Avoid – avoiding the conflict(s) of interest which poses an unacceptable risk to, or impact on, SMTIL's interests. Ultimately, SMTIL could refuse to act or proceed with a

- transaction to avoid a conflict of interest.
- b. Reduce – reducing the conflict(s) of interest by placing restrictions on our involvement in the matter in consultation with the SuMi TRUST Group
 - c. Retain – retaining the conflict(s) of interest and continuing to be involved in the matter and seeking resolution of this event within the SuMi TRUST Group.

It is noted that SuMi TRUST Group has established controls for the management of any intragroup conflicts of interest involving SMTIL.

9. Procedures for Managing Conflicts

The firm has put in place arrangements to mitigate against the occurrence of any of its identified conflicts of interest. The arrangements govern the activities of employees as well as ensuring the activities of the firm are conducted appropriately to avoid conflicts of interest. SMTIL have also given training for all staff on conflicts management to ensure the contents of this policy are known and understood.

SMTIL may also undertake periodic reviews of the compliance standards and supervision of employees by other group firms in order to mitigate against the occurrence of any conflicts of interest between SMTIL and any other group member firms.

SMTIL maintains independence from the fund management companies when our Investment Management Department provides research materials, investment reports and articles. This means that we provide “our view” about investments or equities and we are not influenced by third parties. All publications are subject to sign off by Compliance and senior management prior to their circulation.

If there is no other way of managing a conflict of interest, or where the measures in place do not sufficiently protect the client’s interests, the conflict will be disclosed to allow the client to make an informed decision on whether to continue using our service(s) in the situation concerned. SMTIL may decline to act for a client in cases where we believe the conflict of interest cannot be managed in any other way.

10. Supervision of Relevant Person(s)

For the purposes of this policy “Relevant Person(s)” means any of the following: (a) a director or equivalent manager of SMTIL; (b) an employee of SMTIL and (c) a person who is involved in the provision of services to SMTIL under an outsourcing arrangement for the purpose of the provision by SMTIL of investment services and related business activities (as set out below).

The investment activities of the firm are overseen and supervised by Compliance to ensure that business is conducted in the interests of the firm’s clients. The firm maintains aggregation and allocation procedures to ensure fair treatment of clients in the execution of client orders.

All employees are required to comply with the SMTIL policy on Personal Account Dealing, which requires all employee trading in an “equity investment issued or administered by SMTIL or an affiliated Group Company”, or a “Japanese Equity Collective Investment Scheme”, or an “Equity, including Warrants and Depositary Receipts”, or “Money Market Instruments and Derivatives” to be pre-approved by the Compliance Manager (or senior management in his absence).

In addition, all employees are required to abide by the firm’s inducements policy which requires that all employees declare any fees, commissions, gifts or entertainment, and seek authorisation for those gifts from Compliance. Compliance may request that these fees, commissions, gifts or entertainment be declared to the clients of the firm, donated to charity or returned where appropriate.

Employees of the firm who have holdings, directorships or advisory roles in or for any other entities must declare these interests and will not be permitted to undertake any transactions in relation to those entities.

11. Control over Information

The firm's policy requires that individuals notify the Compliance Manager of any information received by virtue of their position in SMTIL or by virtue of 'crossing the wall' that they know or reasonably may assume, is non-public and price sensitive.

Information that is not in the public domain may be "inside information" and must be reported to the Compliance Manager who will record the nature of the information received and implement a monitoring plan over the activities of SMTIL.

Systems & Controls and monitoring procedures are in place to:

- i. Ensure that investment research where appropriate is disseminated simultaneously and is not acted upon by SMTIL prior to that dissemination; and
- ii. Ensure that information received from affiliated group companies and professional clients in the course of providing investment services is kept confidential and is not misused.

12. Independence

SMTIL under the direct responsibility of the management board operates an independent Compliance function, with a remit to monitor the identification, avoidance and the management of conflicts of interest.

Personal Account Dealing by employees is closely monitored by Compliance.

Trades submitted for approval will be compared to a list of transactions undertaken and investment research materials by SMTIL and which could give rise to a conflict of interest with the firm's own investment activities for its clients.

The SMTIL Compliance Manual includes detailed systems and controls in regard of potential and actual inducement (whether direct or indirect) events, as well as clearly defined personal account dealing policies and procedures for employees of SMTIL. Policies and procedures are designed to ensure that potential inducement events should not influence research or other investment activities.

SMTIL has a zero tolerance to bribery and corruption. SMTIL has an Anti-Bribery & Corruption Policy and provides annual training to deter SMTIL employees from providing or accepting a bribe, entering into misconduct and unscrupulous behaviour.

SMTIL sets high standards of integrity and conduct. SMTIL employees are required to ensure clients are treated fairly, honestly and professionally at all times. A conflict can occur if an SMTIL employee uses their professional positions to acquire a personal benefit or the benefit of another person, or to cause detriment to SMTIL or its clients.

SMTIL provides induction training to all new employees conveying the individual's responsibilities. An ongoing training programme reiterates to SMTIL employees the requirements and responsibilities to its clients. All SMTIL staff are required to provide an annual declaration of adherence to the firm's Culture and Conduct Policy as Chapter 3 of the SMTIL Compliance Manual.

SMTIL Directors are required to provide an annual attestation for compliance with the SMTIL Directors' Code of Conduct.

13. Removal of Direct Remuneration link

The firm has designed its employee remuneration structure to mitigate as far as possible any conflicts of interest arising. All employees are subject to the firm's gifts and inducements policy

prohibiting any inducements that might undermine the independence of the firm's investment activity.

14. Disclosure of Conflicts of Interest

Any conflicts that the firm is unable to adequately control within its internal arrangements, as described above, will be disclosed to the firm's clients in an appropriate manner as soon as possible after the conflict is identified and before undertaking any business for the client. Such disclosure must disclose the general nature or sources of the conflict of interest (or both) and the steps taken to mitigate those risks.

SMTIL will only disclose conflicts of interest as a measure of last resort to be used only where the organisational and administrative arrangements established to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the client will be prevented.

15. Recording Conflicts of Interest

The Compliance Manager maintains a record of the occurrence of any conflicts of interest in a Conflicts of Interest Log, and SMTIL senior management receives a written report on all conflicts or potential conflicts of interest on a quarterly basis. This log is used by the firm to monitor conflicts issues and report to the firm's senior management and includes conflict of interest which have arisen, as well as conflicts of interest which may arise in respect of ongoing services or activities.

Any member of staff who in the course of their work identifies a potential conflict of interest should notify the Compliance Manager who will decide on the appropriate course of action for mitigating or, if necessary, disclosing the conflict to clients.

16. Reporting

A formal report on the operation of conflicts procedures, issues and their resolution is presented to the SMTIL Board as part of the Annual Compliance Review, with interim updates if the Compliance Manager considers this appropriate in particular circumstances.

17. Ownership & Review of the Policy

This Conflicts of Interest policy is owned by the Compliance Department. The Compliance Manager is responsible for maintaining the policy and undertaking a regular review of the policy. This is to ensure that this policy adequately reflects the types of conflicts that may arise, how SMTIL manage those conflicts and the firm's conflicts management arrangements are up to date and accurate. This Conflicts of Interest Policy is reviewed at least annually with any review being referred to the Board of SMTIL.

18. Monitoring

This policy is monitored on an ongoing basis and is subject to a quarterly Compliance Review to assess the effectiveness of these arrangements and implement any necessary changes to this policy to address any deficiencies and as required by regulatory developments and changes in business practices.

19. Related Policies, Processes, Procedures & Documents

The following documents are related to this policy:

- Staff Handbook.
- Compliance Manual Chapter 18, Section 4 & Appendix 18.2

(Inducements Log Form (Gifts & Entertainments Events)).

- Compliance Manual, Chapter 18, Section 5.
- Quality Management System, Compliance, ACP, Conflicts of Interest Log.
- Compliance Manual Chapter 18, Section 10, Chinese Walls Policy.
- Compliance Manual Chapter 24, Personal Account Dealing Procedures & Appendix 24.1, Code of Conduct for Personal Account Dealing & Undertaking.
- Remuneration Policy (Compliance Manual Chapter 18 Appendix 8 & 9).
- Directors' Code of Conduct (Compliance Manual Chapter 28 Appendix 8).
- SuMi TRUST Conflict of Interest Management Policy <https://uk.sumitrust-am.com/conflict-interest-management-policy>