Conflicts of Interest Policy

Updated March 2025

1. Introduction and Background

It is important to identify and effectively manage conflicts of interest which arise or may arise while providing a service and carrying out regulated activities. Their existence may lead to material risk of damage to a client's interests.

Under the FCA Consumer Duty regime, Seneca Partners Limited must ensure that it strives to achieve good consumer outcomes, avoiding conflicts is just one of the ways in which good consumer outcomes can be achieved. Even where Consumer Duty does not apply, there are still overarching obligations to avoid or minimise conflicts.

This document sets out Seneca Partners Limited's ("Seneca") policy for the management of such conflicts of interest.

Seneca is a limited company which is authorised and regulated by the FCA to conduct investment management and corporate finance activities. The vast majority of the firm's customers are retail clients, mainly High Net Worth Investors, however the firm also provides services to a number of professional clients.

Seneca believes that it is important, both in the context of the Consumer Duty regime and the wider regulatory landscape to ensure that potential and actual conflicts of interest are kept under regular review in a way which is proportionate to the scale and complexity of its business. Both the policy and the register of conflicts of interest will be reviewed on at least an annual basis.

This document does not intend to create third party rights or duties or form part of any contractual agreement between the firm and any client. This policy may be amended and updated at any time if any material change occurs and as noted above will be reviewed on at least an annual basis.

If at any time you are in doubt as to how to act in a given situation where you are faced with an actual or potential conflict of interest, you should contact the Compliance Officer.

2. FCA Rules

The Financial Conduct Authority ("FCA") sets out obligations in SYSC 10, COBS 11, Principle 8 and Principle 12 to which this document is prepared.

Whilst the FCA rules are important to be adhered to by all of Seneca's staff, they are non-exhaustive, and certain other additional rules may apply to staff who are members of professional associations, or have additional obligations due to their job role.

Failure to follow any of the rules whether by express breach, or failure to follow the spirit of identifying, mitigating and managing conflicts of interest may also be a breach of an employment contract.

Disciplinary action may be taken by Seneca, and in serious cases may be reported to the FCA or any other relevant regulator or professional body.

3. Conflicts of Interest

Definition

An actual or potential conflict may arise when, in the exercise of its activities and services, the interests of Seneca (including its managers, employees and appointed representatives or any person directly or indirectly linked to them by the control); and the interest of its clients, are directly or indirectly in competition, and which could significantly prejudice the client's interests.

The services that Seneca provides to its clients could potentially give rise to conflicts of interest entailing a material risk of damage to the interests of one or more clients. This document aims to set out some of these potential conflicts and the procedures that are in place to be followed and measures to be adopted in order to manage such conflicts.

Whilst examples of conflicts of interest are considered throughout, this document is not intended to be an exhaustive list of every potential conflict. Seneca staff are encouraged to seek guidance should they believe a scenario gives rise to a perceived or actual conflict of interest.

As noted in the definition, conflicts of interest may occur between a customer and Seneca, including its managers, employees, or any other persons directly or indirectly linked to the firm. A conflict of interest can also occur between two or more clients.

Achieving good outcomes for retail clients and treating non-retail clients fairly is central to the core values of Seneca. There is an embedded culture that understands what is acceptable and what is unacceptable behaviour. As such, conflicts of interest and the identification / management / mitigation thereof are central to this philosophy and culture.

4. Identifying situations where a conflict may arise (including perceived conflicts)

The circumstances giving rise to conflicts of interest include all cases where: -

i) there is a conflict between the interests of Seneca, an individual member of staff, certain persons directly or indirectly connected to Seneca and the duty that Seneca owes to a client;

or

ii) there are differing interests of two or more clients, as Seneca owes a separate duty to each of them.

Conflicts of interests could prejudice a client in various ways, whether Seneca suffers any financial loss and independently of whether the actions or the motivations of the employees involved are intentional.

For the purposes of identifying the types of conflicts of interest that arise, or may arise, Seneca must consider as a minimum whether the firm, a relevant person or a person directly or indirectly linked by control to the firm:

- Is likely to make a financial gain, or avoid a financial loss, at the expense of the client.

- Has an interest in the outcome of the service to, or a transaction carried out for, a client which differs from the client's interest.

- Has a financial or other incentive to favour one client (or group of clients) over the interests of another;

- Carries on the same or similar business as the client; and/or

- Receives an inducement from a third party in the execution of the service provided to the client, other than the standard fee for that service.

Generic Conflicts

Seneca has identified the following circumstances in which general types of potential conflicts of interest may arise based on the work that Seneca undertakes.

- The firm or an associate undertakes designated investment business for other clients including its associates (and the clients of its associates).
- A director or employee of the firm, or of an associate, is a director or partner of, holds or deals in securities of, or is otherwise interested in any company whose securities are held or dealt in on behalf of a client;
- A director or employee of the firm, or of an associate, is involved in the management of any company whose securities are held or dealt in on behalf of a client;
- A transaction is effected in units or shares of a fund or company of which the firm or an associate is the manager, operator or adviser; A transaction is effected in securities in respect of which the firm or an associate, or a partner, director or employee of the firm or an associate, is contemporaneously trading or has traded on its/their own account or has either a long or short position;
- The firm may, when acting as agent for a client, match an order of the client with an order of another client for whom it is acting as agent.
- A director or employee of the firm, or of an associate, may be involved with the valuation of assets held within funds which could be cross sold to another fund. If any remuneration is tied to the valuation and sale then this could create a conflict.

The above list is not exhaustive and is subject to review.

5. Prevention and management

Conflicts of interest registers

Seneca will maintain and update relevant Conflicts of Interest registers and these will be reviewed at least annually.

Due to the nature of Seneca's business, two registers are maintained –

- High Level Conflicts of Interest Register – This is used to record the most common conflicts of interest that Seneca may encounter on a High Level. This document assists Seneca's staff with seeking to consider and mitigate conflicts of interest on a day-to-day basis.

- Individual Conflicts of Interest Register – This is used to record individual scenarios in which a conflict of interest or a potential conflict of interest has arisen in the course of Seneca's business. This will record the conflict and any mitigants adopted.

As appropriate, a scenario recorded in the Individual Conflicts of Interest Register may also be recorded in the High Level Conflicts of Interest Register (if it is not already recorded).

Mitigating General Conflicts

Seneca will use best endeavours to seek to prevent conflicts of interest from arising. However, it is noted that it is not always possible to prevent actual conflicts of interest from arising. In such cases Seneca will try to manage the conflicts of interests by a four stage process;

- segregating duties or establishing Information Barriers; or

- deciding the individual dealing with conflict is sufficiently independent to not be influenced by the conflict; or

- informing the client of the conflict so he/she can make a decision on the conflict; or

- if all other options are undesirable then in certain circumstances, Seneca may have to decline to take on a new client/transaction.

These stages are expanded upon below in section 6.

When Seneca makes any changes in respect of its business model, operations or products, then Senior Management will consider whether any additional potential conflicts of interest arise.

Senior management will update the Conflicts of Interest Policy and Conflict of Interests Registers as necessary on an ongoing basis and formally consider the continued adequacy of the arrangements annually.

Mitigating Conflicts caused by Inducements including gifts and hospitality

Seneca maintains business relationships with third parties who may remunerate Seneca in the form of management and performance fees which can constitute monetary or non-monetary benefits thereby impairing Seneca's fiduciary duties to the client. The FCA Rules classify these as inducements. Information pertaining to these, including relevant considerations are included in the Compliance Manual which all Seneca staff have access to.

Further to this, Gifts and hospitality could lead to potential conflicts of interest. No employee may accept from, or give to, any person any gift or other benefit that cannot properly be regarded as justifiable in all circumstances. Policies and procedures have been implemented to ensure that staff and their connected

persons do not offer or accept gifts or inducements which may give the perception that decisions or actions are not impartial. The general rule is that all gifts or hospitality should be proportionate.

Further information, including the value in which gifts or hospitality need to be reportable is included in the Compliance Manual. A record is kept by the Compliance Officer of any gifts or hospitality received or given which have been reported.

Where an invitation to a hospitality event or a gift is disproportionate in nature to the business relationship, then it must be declined and the Compliance Officer informed.

Personal account dealing

Employees may only undertake personal investment activities that do not breach applicable law or regulation, do not unduly distract from their employment responsibilities and do not create an unacceptable risk to the company's reputation. Transactions should also be free from business and ethical conflicts of interest. Employees must never misuse proprietary or client confidential information in their personal dealings and must ensure that clients are never disadvantaged as a result of their dealings.

Seneca's Personal Account Dealing Policy has been established to ensure that personal account dealing by members of staff comply with this policy. This includes a requirement for pre-deal approval from the Compliance Officer on restricted stocks.

Full details are in the Compliance Manual.

Aggregation of orders

Where Seneca aggregates the orders of clients, it must ensure that this does not work to the overall disadvantage of any clients whose order is to be aggregated. Seneca has established an Order and Best Execution Policy which sets out the details of the Firm's policy.

Outside employment and business interests

No employee may engage in any additional occupation without the consent of the Company. In certain circumstances, consent may be withheld.

Employees must not accept personal fiduciary appointments (such as trusteeships or executorships other than those resulting from family relationships) without first obtaining written approval from the Compliance Officer.

Remuneration and Oversight

The management oversight and determination of appropriate remuneration of members of staff is conducted by Seneca's Senior Management. Remuneration of staff is based on the overall results of the firm and is not based on the success of any transaction or the valuation of any particular asset.

Senior Staff Remuneration (Code Staff) is decided on by the Remuneration Committee, which is compliant with SYSC 19 and the requirements of FUND, in particular 3.9.7.

Staff are subject to appropriate management and supervision to ensure that Seneca is able to demonstrate that it has appropriate and effective arrangements in place to ensure that conflicts of interest are properly managed.

In accordance with FUND 3.3.5 the total amount of remuneration paid by any AIF shall be contained within the Annual report of the AIF.

6. The stages of Seneca's management of conflicts

Where a clear conflict has been identified which cannot be prevented then Seneca will use one or more options to mitigate the conflict.

These options may be engaged either on an ad-hoc basis or may be factored into the development of a product. For example, if Seneca, or any persons connected to Seneca, have an interest in the outcome of a product then Seneca will disclose such interest at the earliest opportunity. This may include incorporating it into the product documentation. Prospective clients are then fully informed of the situation and can make a decision based upon the disclosure.

The most options that Seneca may utilise are as follows.

Information barriers and segregation of duties

There are several distinct tasks within the business that could lead to potential conflicts of interest. Such conflicts can often be mitigated by carefully controlling which employees have access to certain information.

For example, Seneca maintains appropriate Insider Lists and Information Barriers so as to limit or withhold the use of certain information. Often this information will be price-sensitive, confidential, and could give rise to market abuse. Further details are contained in the Compliance Manual.

Further to this Seneca maintains and periodically updates the Restricted Lists of financial instruments that are prohibited or restricted from investment as a result of a conflict of interest or inside information.

Whilst rare, another example where information barriers may be implemented would be in respect of a situation where Seneca found itself acting for two parties in the same deal. In such a case Seneca would thoroughly examine whether or not it was able to sufficiently segregate the Seneca persons involved.

The Compliance Officer monitors along with the relevant business line managers the effectiveness of these Information Barriers. In some circumstances staff may be taken "across the wall." Where this happens the Compliance Officer must be notified and a record made thereof, along with updating of the Restricted List.

Confirmation of independence

When Seneca is aware of a conflict of interest but does not feel it material, in that it would affect decisions of the relevant staff, then a file note is made of this decision and kept on the register.

Disclosure

In certain cases, Seneca may disclose the general nature and/or source of potential or actual conflicts to its client in writing before undertaking business on its behalf so that the client can decide whether or not to accept these potential conflicts.

Declining to Act

If it is not possible to avoid or manage a conflict of interest, Seneca may have no choice but to decline to provide the service requested.

7. Record Keeping

Under SYSC 10.1.6 Seneca must keep and regularly update a written record of the kinds of investment or ancillary services or activities carried out by or on behalf of the firm in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise. These records will be for a minimum of five years from the date of creation and are maintained on an ongoing basis by the Compliance Officer.

In accordance with FUND 3.7, Seneca's Compliance Department is responsible for monitoring and reporting risk to Seneca's board. The action that Seneca's Compliance Department undertakes is appropriate for the size and scale of Seneca. Seneca's Compliance Department is independent from any operating units, including the Portfolio Management team in accordance with FUND 3.7.3. Seneca's board ensures that sufficient resources are provided to Seneca's Compliance Department.

8. Reporting

Conflicts of Interest situations or potential conflicts situations should be reported to the Compliance Officer immediately.

9. Training

Seneca staff will receive training in respect of conflicts of interest at regular periods during their employment with Seneca.

10. Conclusion

Seneca recognises that within the regulated environment, care must be taken to avoid any conflicts of interest. Seneca is confident that by applying both this policy then it can mitigate any potential conflicts both actual and perceived.

As noted previously, Seneca will review this policy at least annually to ensure that it continues to be fit for purpose.