Conflicts of Interest Policy

1. INTRODUCTION

1.1 FCA Principle 8 and SYSC 10 place an obligation on Free Castle Capital Ltd ("FCC" or the "Firm") to identify and manage conflicts of interest fairly, both between itself and its clients and members (collectively, "clients") and between one client and another client.

In addition, the Firm will identify and monitor conflicts between its managers, employees or any person directly or indirectly linked to them by control, and their clients.

Including those caused by the receipt of inducements from third parties or by the investment firm's own remuneration and other incentive structures.

Or between one client and another that arise in the course of providing any investment and ancillary services, or combinations thereof. The FCA Rules further require that a firm must take all reasonable steps to identify any conflicts and potential conflicts faced from time to time and to have in place a policy and procedures to mitigate and manage these conflicts. The FCA Rules do not envisage disclosure of actual and potential conflicts as adequate means of conflict management or of meeting the obligations under Principle 8.

1.2 In essence, a conflict of interest is a situation in which an Investment Firm (or any of its employees) finds itself in a position where its own interest's conflict with the duty owed to a client or, a situation in which a duty owed to one client conflicts with a duty owed to another.

1.3 It is the policy of the Firm to meet the highest standards of ethical and market practice in respect of the management of conflicts of interest and to act at all times in the best interests of our clients. In that regard, we have the following practices and procedures in place.

2. IDENTIFICATION OF CONFLICTS

2.1 Senior management of the Firm must identify and document periodically the key conflicts and potential conflicts it faces in its day-to-day business and report the finding and all the actions taken in this document. Annex 1 to this policy details a list of conflicts that have been identified (list is not exhaustive).

Tel: +39 340 3806020/+44 7881 517774 • Email: francesco.debartolo@freecastlecapital.com

2.2 For the purposes of identifying the types of conflicts and potential conflicts that arise which may entail a material risk of damage to the interests of a client, a firm must take into account whether the firm or a relevant person, or a person directly or indirectly linked by control to the firm:

a) is likely to make a financial gain, or avoid a financial loss, at the expense of the Client;
b) has an interest in the outcome of a service provided to the Client or transaction carried out on behalf of the Client, which is distinct from the Client's interest in that outcome;
c) has an incentive to favour the interest of another client or group of clients over the interests of the Client;
d) carries on the same business as the Client; or
e) receives or will receive from a person other than the Client an inducement in relation to a service provided to the Client, in the form of remuneration, goods or services, that is not the standard commission or fee for that service.

3. CONFLICT AVOIDANCE

Where possible, a firm seeks to organise its business activities, including external arrangements, such as to avoid conflicts. Where conflicts are unavoidable, FCC ensures appropriate policies, procedures and controls are developed ahead of the arrangement giving rise to the conflict. Where FCC is not reasonably confident that the interests of a Client will be adequately protected, it will clearly disclose the general nature and/or sources of conflicts of interest to the Client before undertaking any business.

4. CONFLICT MANAGEMENT

Where conflicts are unavoidable, FCC develops both formal and informal procedures for their management. Such procedures are designed to ensure that the management of the conflict takes place in such a way that the firm or its employees are not advantaged and that no client is disadvantaged.

5. CONFLICT MONITORING

FCC has a number of controls, mainly focused on the business and operational activities, to detect conflict situations as they arise. In addition, the Firm's compliance function perform a number of tests aimed at detecting and reviewing conflicts of interest.

A conflicts register is maintained by FCC to record, manage, and monitor any conflicts of interest. The register will maintain an appropriate record of the client, which will include the nature of the conflict, the individuals conflicted, any mitigants, and proposed action taken. In certain circumstances the conflict may be of such a magnitude that senior management at FCC decline to act for a client.

Disclosure of a conflict to a client is a measure of last resort and will not be used as a default option. Disclosure will only be used in situations where FCC's organisational and administrative arrangements are insufficient to prevent or mitigate the risk of damage to the client.

6. EDUCATION AND AWARENESS

All members and employees of FCC will receive both formal and informal training in respect of conflicts of interest generally and the specific conflicts and potential conflicts to which the Firm is subject. FCC has detailed procedures covering:

- Personal account training;
- Bribery and corruption;
- Inducements, gifts, benefits and entertainment.

On joining FCC all relevant employees will be provided with appropriate training as part of their induction programme.

ANNEX 1

	Possible Detriment	Mitigation
Staff dealing on personal account basis and not acting in clients' best interest	Front running	PA dealing policy in place which is monitored by Compliance Officer. Annual PA dealing declaration to be completed by all staff at FCC. Failure to comply with PA dealing policy may result in dismissal
Senior Managers / Conduct Rules Staff in a client dealing function with more than one FCA regulated entity	Difficult to monitor / staff may not be acting in clients' best interests	FCC has no staff holding client dealing functions at other FCA firms
Senior Managers / Conduct Rules Staff failure to disclose outside business interests	Without knowing other business interests the firm is unable to identify / manage potential conflicts of interests	All Senior Managers / those in certificated functions are required to disclose all outside business interests on joining FCC and, annually. All staff are required to sign an outside business interest declaration
Third party payments / inducements / rebates	FCC receiving fees which are not in compliance with FCA rules. Firm unable to provide Client with an accurate breakdown of costs and charges	FCC monitors all payments in compliance with FCA inducement rules

Gifts / Benefits / Entertainment	Staff could be inducing / bribing clients so as to increase their salary / bonus by increasing revenue for FCC	Policy is place which requires prior approval of any gift / benefit / entertainment above £100
Inappropriate remuneration structure (i.e. low basic salary but high commission paid based on sales achieved)	Staff are encouraged to aggressively sell FCC's services and not treat customers fairly so as to increase their salary	Remuneration policy in place. Quality objectives taken into account and salary not solely driven by sales targets