

LONDON & CAPITAL
GROUP
CONFLICTS OF INTEREST
POLICY & PROCEDURES

CONTENTS

- 01 INTRODUCTION
- 02 PURPOSE & SCOPE
- 03 APPLICABLE RULES & REGULATION
- 04 CONCEPT OF CONFLICTS OF INTEREST
- 05 POTENTIAL CONFLICTS OF INTEREST
- 06 IDENTIFICATION OF CONFLICT OF INTEREST SITUATIONS
- 07 POTENTIAL CONFLICTS OF INTEREST IN THE PROVISION OF THE SERVICE OF
RECEPTION AND TRANSMISSION OF ORDERS REGARDING ONE OR MORE FINANCIAL
INSTRUMENTS
- 08 EMPLOYEE DEALING
- 09 CONFLICT OF INTEREST MANAGEMENT
- 10 CLIENT INFORMATION ABOUT CONFLICTS OF INTEREST
- 11 REGISTER OF CONFLICTS OF INTEREST
- 12 CONFLICTS OF INTEREST RESOLUTION
- 13 APPROVAL, REVISION AND EVALUATION OF THE POLICY
- 14 RESPONSIBILITIES FOR THE FULFILLMENT OF THE POLICY
- 15 FAILURE TO COMPLY

01 INTRODUCTION

This document contains the Conflicts of Interest Management Policy (the Policy) of London and Capital Group (L&C). L&C includes two solo regulated subsidiaries and one dual regulated subsidiary. London and Capital Asset Management (LCAM) Limited: FCA Reference: 143286, London and Capital Wealth Management Europe A.V., S.A. (LCE): CNMV Reference: 307 and London and Capital Wealth Advisers (LCWA) Limited: FCA Reference 120776 and SEC Reference 801-63787.

The Policy is complemented by other internal regulations related to the prevention and management of conflicts of interest including the Code of Ethics, Gifts and Hospitality Policy, Order Management and Execution Policy, Market Abuse Prevention Policy and Product Governance Oversight documentation.

02 PURPOSE & SCOPE

The purpose of this document is to provide L&C clients with appropriate information in relation to the policies that L&C have in place to manage conflicts of interest. The policy details the measures and procedures established within L&C to detect, prevent or manage possible conflicts of interest that may arise in the provision of investment services. This policy also aims to identify the potential conflicts of interest that may arise from the provision of investment services, as well as the establishment of proceedings to be followed by L&C in order to mitigate or resolve such conflicts.

This policy shall apply to all L&C directors and employees whose duties are directly or indirectly related to or support the activities and services offered by L&C in the securities market field (listed or unlisted), or who have frequent or regular access to inside information (hereinafter "Relevant Person").

Although this policy sets out high level principles and provides guidance on how to handle conflicts of interest, it cannot cover every situation that may arise.

03 APPLICABLE RULES AND REGULATION

EU REGULATION

- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU
- Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive

CNMV

- Royal Legislative Decree 1/2010, of 2 July, approving the revised text of the Spanish Company Law
- Royal Legislative Decree 4/2015, of 23 October, 2015, approving the revised text of the Securities Market Law
- Royal Decree 2017/2008, of 15 February, 2008, on the legal regime of investment services companies and partially amending the Regulations of Law 35/2003, of November 4, 2003, on Collective Investment Institutions, approved by Royal Decree 1309/2005, of November 4, 2005

FCA

- FCA Systems and Controls obligations (SYSC 10)
- FCA Best Interests Obligation (COBS 2.1)
- FCA Principle 8, Conflict of Interest, a firm must manage conflicts of interest fairly both between itself and its clients and between a client and another client

SEC

- Section 206(2) of the Advisers Act prohibits investment advisers from engaging in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client
- Section 206(4) of the Advisers Act prohibits investment advisers from engaging in any act, practice, or course of business which is fraudulent, deceptive, or manipulative

04 CONCEPT OF CONFLICTS OF INTEREST

BETWEEN L&C AND/OR L&C PERSONNEL AND ITS CLIENTS

A conflict of interest is understood as a situation in which, during L&C business activity, the interests of L&C, L&C personnel¹, and those of its clients, or between those of several clients among themselves, enter into competition or collusion directly or indirectly leading to the impairment of the interests of the latter.

BETWEEN L&C AND L&C PERSONNEL

In addition, it would include those situations in which the interests of L&C and the interests of L&C personnel enter into competition or collusion directly or indirectly leading to the impairment of the interest of the former.

Also included in the concept are those situations in which the independence of L&C or its employees could be compromised. For these purposes, an interest represents the obtaining of some type of advantage, whatever its nature, commercial, financial, among others.

A conflict of interest shall arise when L&C, or a person directly or indirectly related to L&C, is in any of the following situations:

- L&C or the relevant person may obtain a financial benefit, or avoid a financial loss, at the expense of the client;
- L&C or the relevant person has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client that is distinct from the client's interest in that outcome;
- L&C or the relevant person has financial or other incentives to favour the interests of another client or group of clients over the interests of a particular client;
- L&C or the relevant person carries out the same or similar business as the client and/or have the same target clients to their businesses in such manner that they have the same commercial interests;

¹ L&C personnel includes L&C directors, officers, employees and/or any person directly or indirectly linked to them by a close relationship

- L&C or the relevant person receives or is to receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monetary or non-monetary services or benefits
- The relevant person may obtain a financial benefit, or avoid a financial loss at the expense of L&C
- L&C or the relevant person could be in a position where their ability to act in a client's best interests is potentially affected by any other matter e.g. personal relationships creating a conflict in loyalty.

In any case, it shall not be considered sufficient that L&C or the relevant person may obtain a benefit if there is a possibility of harm to a client, or that a client may obtain a gain or avoid a loss.

Such competing interests can make it difficult for individuals to fulfil their duties impartially. A conflict of interest may exist even if no unethical or improper act results from it. L&C is committed to identifying, monitoring, and preventing or managing all actual and potential conflicts of interest that can arise between L&C and its clients and between clients.

In deciding what a conflict is, a common-sense approach should be taken to consider whether a reasonable person looking at the relevant facts and circumstances would think that there was a real sensible possibility of conflict.

05 POTENTIAL CONFLICTS OF INTEREST

In case of doubt about the existence of a conflict of interest, the relevant persons must inform their manager and the Compliance and Risk team of the specific circumstances involved in that case, so that they can form an appropriate judgment about the situation. Until a decision has been reached, the relevant person must not take any action without permission. Conflicts of interest can arise in relation to listed or unlisted financial instruments.

06 IDENTIFICATION OF CONFLICT OF INTEREST SITUATIONS

Situations of conflicts of interest that may arise between the following:

- L&C and its clients, when L&C may have a benefit or avoid a loss at the expense of the client
- The relevant persons to this policy and the clients: if the relevant persons to this policy put their interests before those of the clients
- Between clients: giving preferential treatment to one client over other clients
- Between L&C and its directors and employees

07 POTENTIAL CONFLICTS OF INTEREST IN THE PROVISION OF THE SERVICE OF RECEPTION AND TRANSMISSION OF ORDERS REGARDING ONE OR MORE FINANCIAL INSTRUMENTS

Simultaneous reception of orders from different clients for the purchase or sale of certain financial instruments, examples include:

- Not carrying out or delaying an order for a client, if doing so would prejudice the client to the advantage of L&C or another client
- Carrying out personal transactions of employees, managers or directors to the detriment of the client's interests

08 EMPLOYEE PERSONAL ACCOUNT DEALING

It is usual for employees of a financial institution such as L&C to undertake personal transactions on their own behalf. This can create a conflict with the duties owed to L&C clients. Therefore, all L&C employees and connected parties are required to comply with L&C's Personal Account Dealing policy and Code of Ethics.

A personal transaction shall mean a trade in a financial instrument (except for units and shares in collective investment institutions), carried out by or on behalf of a relevant person, provided that at least one of the following criteria is met:

- That the relevant person acts outside the scope of the activities he/she carries out in a professional capacity;
- The transaction is carried out on behalf of any of the following persons: (a) The persons subject to this Policy, (b) any person with whom he/she has a kinship relationship, or with whom he/she has a close connection

In order to prevent any conflict of interest, the relevant persons shall submit, at the end of each calendar quarter and provided that they have operated on their own account, a quarterly attestation comprising all orders and transactions on financial instruments carried out since the previous quarter. Reportable securities require pre trade approval if the individual who wishes to trade is categorised as an Access Person.

09 CONFLICTS OF INTEREST MANAGEMENT

Below is a summary of the principal conflicts that exist within L&C and the steps it takes to mitigate them. If you have any questions on this policy in the first instance, please raise these with the Compliance and Risk team.

The procedures to be followed, and the measures to be adopted, to adequately manage conflicts of interest shall include at least those elements listed below that are considered necessary for L&C to ensure the required degree of independence:

- Market Abuse Policy to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of conflict of interest, where the exchange of such information could be detrimental to the interests of one or more clients;
- The separate supervision of relevant persons whose principal functions are the performance of activities or the provision of services for or on behalf of clients with conflicting interests, or who otherwise represent different potentially conflicting interests, including those of L&C;
- The elimination of any direct relationship between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or income generated by, other relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to these activities;

- Measures to prevent or limit the possibility of any person exercising improper influence over the manner in which a relevant person carries out investment or ancillary services or activities;
- Measures to prevent or control the simultaneous or consecutive participation of a relevant person in various investment or ancillary services or activities where such involvement may be detrimental to the proper management of conflicts of interest

Among other measures, the following policies and procedures have been established that develop the aforementioned elements:

- Policies and procedures for management and execution of orders
- The possibility of combining (“aggregate”) a transaction for one client with orders from other clients. L&C will only do this when it is likely that aggregation will work to the advantage of all clients involved. However, it is possible that the effect of aggregation may work to the client’s disadvantage in relation to a particular order. If L&C have aggregated the client’s order with another order but have not achieved execution of the total aggregated amount, then the order will be allocated on a pro-rata basis
- Establishment of separate areas to ensure the independence of action between business areas that may conflict
- L&C strive to ensure L&C employees remain motivated whilst at the same time ensuring their remuneration scheme does not encourage inappropriate behaviour
- On occasions L&C employees may personally benefit from dealings with potential or existing clients, suppliers, services providers etc. A Gifts and Hospitality Policy is in place to ensure that these are not excessive and do not create an obligation or debt
- Procedures that prevent the contracting of products that are not suitable for clients in portfolio management services
- Periodic statements from directors and employees to declare any conflict of interest during the period (additional to the obligation of immediately reporting to the Risk and Compliance team any conflict of interest)

Where L&C use its discretion to make investment decisions or provide any advice or recommendations, L&C are required to ensure that its actions are suitable for their clients and to act honestly, fairly and professionally in accordance with the best interests of its client.

In addition, L&C employees may have an interest, relationship or arrangement whereby they act as a trustee, hold power of attorney on behalf of a client or act as a director or similar position for a corporate or similar business client. To manage such conflicts, L&C require its employees to disclose any directorship and similar interests in other companies and businesses obliging them to disregard and disclose the interest, relationship or arrangement concerned when acting on the client’s behalf.

10 CLIENT INFORMATION ABOUT CONFLICTS OF INTEREST

When L&C considers that the measures taken are not sufficient to avoid the risk of harm to one or more clients, potentially affected clients must be informed of the nature of the conflict and other circumstances enabling them to make a reasoned decision about the investment product or service to contract with L&C.

The communication shall clearly state that the organisational and administrative measures established by L&C to prevent or manage this conflict are not sufficient to guarantee, with reasonable confidence, the prevention of the risk of harm to the client's interests. The disclosure shall include a specific description of the conflicts of interest arising in the provision of investment or ancillary services, considering the nature of the client to whom the disclosure is addressed. The description shall explain the general nature and source of the conflicts of interest, as well as the risks arising for the client as a result of those conflicts and the measures taken to mitigate those risks, in sufficient detail to enable the client to make an informed decision in relation to the investment or ancillary service in the context of which the conflict of interest arises.

The information mentioned above shall be communicated in a durable medium, and in sufficient detail, considering the nature of the client, to enable the latter to make an informed decision about the service, in the context in which the conflict of interest arises.

L&C shall inform its clients, before providing them with any investment service, of the main issues related to the management of conflicts of interest, informing them that the full content of the Policy is available on its website.

11 REGISTER OF CONFLICTS OF INTEREST

L&C shall maintain and regularly update a register of the categories of investment or ancillary services or investment activities performed by or on behalf of L&C in which a conflict of interest has arisen, that has entailed a risk of impairment of the interests of one or more clients or, in the case of an ongoing service or activity, where such a conflict may arise.

The Chief Compliance Officer (CCO) shall receive frequent, and at least annual, written reports on the situations referred to in this section.

12 CONFLICTS OF INTEREST RESOLUTION

When the adoption of the measures and procedures provided for in this policy do not guarantee the necessary degree of independence, L&C shall apply the alternative procedures and measures it may deem necessary and appropriate to achieve that end.

In any case, L&C shall act with the following criteria:

- It shall give priority to the interests of clients, acting with diligence, loyalty, neutrality and discretion, without detriment to the respect due to the integrity of the market
- Shall endeavour to minimise conflicts of interest between clients and L&C, managing and resolving them in an appropriate manner if they arise
- Relevant persons shall not put the sale of securities in their own portfolio ahead of L&C clients when the latter have ordered the sale of the same type of security under identical or better conditions, nor shall the Relevant person allocate securities to itself when there are clients who have requested them under identical or better conditions
- Shall not give preference to any client when there is a conflict of interest among several of them and, in particular, shall respect the system of execution and distribution of orders established by L&C
- Shall not multiply transactions unnecessarily and without benefit to the client
- Shall endeavour to minimise conflicts of interest between L&C and its directors and employees, managing and resolving them in an appropriate manner if they arise

13 APPROVAL, REVISION AND EVALUATION OF THE POLICY

The Policy shall be approved by the Board of Directors. It shall be reviewed at least once a year and shall be updated at least in the following cases:

- When legal or regulatory changes take place that affect the established policy
- At the proposal of the supervisory bodies
- When L&C decides to carry out new activities, due to their nature or the type of clients they are aimed at.

The Compliance and Risk team shall be responsible for supervising compliance with this policy, keeping it duly updated and periodically informing the CCO of the degree of implementation and compliance.

14 RESPONSIBILITIES FOR THE FULFILLMENT OF THE POLICY

Compliance with this Policy is the responsibility of all L&C directors and employees. The Compliance and Risk team will monitor any non-compliance and must report to the CCO.

It shall be the responsibility of the directors and Senior Management to identify those circumstances in which there is a risk of conflict of interest that may prejudice the interest of one or more clients.

Relevant persons to this policy shall:

- Be familiar with and comply with the Policy
- Inform the Compliance and Risk team of any conflicts of interest that may arise in the course of their work by completing the "Actual and Potential Conflicts of Interest" form and sending this via email
- Inform the Compliance and Risk team of any situations affecting them that could give rise to the existence of a conflict of interest
- Disclose, if applicable, to clients the existence of situations of conflict of interest affecting them in accordance with this policy

15 FAILURE TO COMPLY

Failure to comply with this policy could lead to disciplinary action which may include the relevant employee classed as not fit and proper to undertake their role at L&C.