



SARASIN  
& PARTNERS

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# Conflicts Policy

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## 1 Overview

A conflict of interest is a situation in which someone in a position of trust has competing professional or personal interests. Such competing interests can make it difficult to fulfil his or her duties impartially. A conflict of interest may exist even if no unethical or improper act results from it. We deal with conflicts on a case-by-case basis.

The Sarasin UK Group (“Sarasin”) is committed to identifying, monitoring and managing all actual and potential conflicts of interest that can arise between us, our clients and funds we manage and between clients of all areas of the Sarasin business.

## 2 Corporate Structure

Within Sarasin there are four regulated entities:

- Sarasin & Partners LLP (Regulated by the FCA)
- Sarasin Investment Funds Limited (Regulated by the FCA)
- Sarasin Asset Management Limited (Regulated by the FCA and registered with the SEC as an Investment Adviser under the Investment Advisers Act 1940)
- Sarasin Funds Management (Ireland) Limited (Regulated by the Central Bank of Ireland)

Sarasin is majority owned by Bank J. Safra Sarasin Ltd, which is a private bank headquartered in Switzerland. Bank J. Safra Sarasin is owned by the J. Safra group, which is ultimately privately owned by Safra family members.

The main business of Sarasin & Partners (“S&P”) is the provision of discretionary investment management services to private investors, charities, trusts and institutions. It also acts as investment manager for a number of Sarasin group collective investment schemes. Sarasin Investment Funds (“SIF”) is the Authorised Corporate Director for the Sarasin UK collective investment schemes (“Sarasin UK Funds” and the Manager of the Alpha Common Investment Funds. Sarasin Fund Management (Ireland) Limited (“SFMI”) is the Manager of the Sarasin Irish collective investment schemes (“Sarasin Ireland Funds”). SIF and SFMI have appointed S&P as investment manager to the Sarasin UK Funds and Sarasin Ireland Funds (“the Funds”).

Sarasin Asset Management Limited (“SAM”) provides discretionary investment management services to US clients.

## 3 Regulation

In accordance with FCA, Central Bank of Ireland and SEC rules we are required to establish, implement and maintain an effective conflicts of interest policy (Conflicts Policy) encompassing the Sarasin UK group of regulated companies. This document provides you with a summary of our Conflicts Policy which describes our approach to handling conflicts. We deal with conflicts on a case-by-case basis but the policy sets the general framework within which we operate and we take all reasonable steps to treat our clients fairly. Examples of the type of conflict of interest that may arise include, but are not limited to, the following:

- we could make a financial gain or avoid a financial loss at the expense of a client
- we may have an interest in the outcome of a transaction or service carried out for a client which is distinct from the client’s interest in that outcome

- we may have a financial or other incentive to favour the interest of one client or group of clients over the interests of another client
- we may carry on the same type of business as a client or another UCITS manager
- there may be a conflict of interest between the interests of the different UCITS schemes that SIF or SFMI operates
- there may be a conflict of interest between a third party service provider and a Sarasin entity or a third party service provider and a client
- we may receive from a person other than the client an acceptable minor non-monetary benefit (as defined in MiFID Delegated Directive/FCA COBS 2.3A.19) in relation to a service provided to a client

## 4 Conflicts Policy - Identifying, recording and managing conflicts

Sarasin has a conflicts management group (the CMG) which includes representatives from senior management across the business. The CMG’s purpose is to review and manage conflicts arising either generally or from time to time. The specific areas of conflicts set out below are all subject to the rules and regulations of the FCA, the Central Bank of Ireland and SEC, where applicable to the firms, staff or client base.

### 4.1 Employee dealing

We permit employees to undertake deals on their own behalf and recognise that this can create a conflict with the duties owed to our clients. Therefore it is a term of their employment that all of our partners, executive directors and employees (together, “Staff”) and their connected parties are required to comply with our personal account dealing policy which amongst other matters prohibits dealing ahead of client orders. Staff are subject to the firm’s market abuse and insider dealing policy and an insiders’ register is maintained and managed by the Compliance Department.

### 4.2 Inducements - Gifts and hospitality

On occasions our employees may give or receive gifts or hospitality to or from clients, in recognition of services provided or to cement relationships. We take care through our gifts and hospitality policy (Gifts Policy) to ensure that these gifts or hospitality are not of a nature or value that would in any way affect the individual’s behaviour in relation to the business we do for that client. In certain circumstances, and subject to FCA rules on acceptable minor non-monetary benefits we may give or receive gifts or hospitality to or from counterparties, companies or other service providers. A gifts and hospitality log is maintained and reviewed by the Compliance Department.

### 4.3 Inducements - Research

S&P consumes research from external research providers. This research is invoiced to and paid for by S&P. In limited circumstances S&P may receive free research that is considered to be an acceptable minor non-monetary benefit such as material commissioned and paid for by a corporate issuer and which is made available to the general public, or material that is provided for a trial period so that we can evaluate the provider’s research service.

Research provided by S&P’s analysts is impartial and is provided for use within our investment process only. Sarasin does not publish or disseminate research documents. Where we publish or disseminate our investment strategy externally we would have deemed these documents not as investment research as defined under the FCA rules.

#### 4.4 Staff remuneration

The remuneration of investment professionals at Sarasin usually consists of a salary and a performance related discretionary incentive bonus scheme.

Under our remuneration scheme we strive to ensure that our staff remain motivated whilst at the same time ensuring that the remuneration scheme does not encourage inappropriate behaviour or excessive risk-taking. We recognise this conflict and through our monitoring mechanisms remain alert to any potential abuse. The methodology and payment of all elements of remuneration is subject to scrutiny from our Remuneration Committee and CMG.

We have a formal written Remuneration Policy and a remuneration policy disclosure is published on our web site.

#### 4.5 Dealing for your portfolio and transactions with Bank J. Safra Sarasin group (BJSS Group) companies

Where Sarasin deals for our discretionary clients or for funds we may buy or sell an investment in which a member of our wider group has a proprietary long or short position.

Sarasin may transmit orders and carry out various transactions in the course of its business through an associate, therefore generating revenue within the Sarasin group. Counterparties used for trades are carefully assessed in accordance with our execution policy. Transactions with associated companies form a very small proportion of the total and associates are treated in the same way as any other counterparty.

Sarasin group companies may also receive profits derived from business introduced to it by associates.

#### 4.6 Sarasin funds

Funds are excluded from the calculation of our discretionary clients' portfolio management fee unless there is an offset arrangement, as the annual management fees on Funds are already included within the Funds' charging structure. Where a UCITS scheme operated by SIF or SFMI invests in units in another collective investment scheme managed or operated by Sarasin or an associate of Sarasin there is no double charging. Sarasin funds have a range of share classes for discretionary clients with differing AMCs and FOCs. The Sarasin pricing procedures provide written instruction as to their use.

#### 4.7 Commissions from third party fund managers

In some cases we buy third party collective investment schemes for our clients and the Funds. These may include funds operated by a J. Safra Sarasin group company. We buy institutional classes of units or shares which carry a lower annual management charge and pay no renewal commission.

#### 4.8 Business interests and suitability

Where we use our discretion to make investment decisions or provide any advice to non-retail clients we are required to ensure that our actions are suitable for our clients. However, we or some other person connected with us may have an interest, relationship or arrangement that is material to the service, transaction or investment concerned.

This may include matters such as:

- the retention of commissions which we receive from a third party;
- recommending that you buy or sell an investment in which one of our other clients has given instructions to buy or sell;
- we may be acting in relation to investments where an

associated company is involved in a new issue, rights issues, takeovers or similar transactions

Sarasin prohibits its Staff from serving on the boards of publicly traded companies except in cases where such service is not inconsistent with the best interests of our clients or Sarasin. In this case the approval of our executive committee is required. The executive committee is required to approve all outside business activities and positions within charitable or public organisations. If outside activities could pose a real or perceived conflict of interest with our clients or interfere with the partner or employee's responsibilities to Sarasin this activity may be prohibited. In addition partners and employees may not accept a position as an executor, trustee or power of attorney for a client without the prior approval of the executive committee unless such position is for a family member.

To manage such conflicts, we require our partners and employees to comply with our conflicts management policy obliging them to disregard the interest, relationship or arrangement concerned when acting on your behalf.

#### 4.9 Order aggregation and allocation

We may combine ("aggregate") a transaction for you with our own orders and orders of other clients and the Sarasin Funds, since we believe that over time this results in improved performance of client assets. However, the effect of aggregation may on some occasions work to your disadvantage. In the vast majority of cases before any order is executed, securities will have been pre-allocated to individual clients and the Sarasin Funds.

If we make an application on your behalf for a new issue you should be aware that if the allocation is scaled back it will be applied pro rata across all our clients. If we receive less than 50% of our intended allocation and pro-rata allocation would result in unnecessary charges and or de minimis holdings we will reconsider each client and may revise the allocation. The Compliance Department monitors the effectiveness and fairness of the operation of any reallocation.

#### 4.10 Proprietary trading

SIF and SFMI may undertake proprietary trading in limited situations such as required for seeding share classes or to correct an administrative error. Such dealing is infrequent and is only conducted to the extent required to correct the relevant fund's position.

Proprietary trading may be undertaken by an associate to correct an error in respect of Sarasin & Partners and/or SAM's activities.

#### 4.11 Stewardship

We seek to act in the interests of all of our clients when considering engagement and voting. Conflicts of interest may arise from time to time, such as voting on matters affecting other firms within our wider group or a client or where our clients are shareholders in two companies involved in both sides of a deal or dispute. Where a significant conflict arises the CMG may be asked to opine. For further information on our commitment to responsible stewardship please see the Responsible stewardship page on our website.

#### 4.12 Other issues

The following activities and services are not undertaken within Sarasin but may be undertaken by a related entity:

- Corporate Finance;
- Finance arrangements;
- Market maker;

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- Investment research (No proprietary research is undertaken. Research information is compiled based on freely-available market information).

There are no other material risks identified as arising from potential conflicts of interests which remain unmanaged.

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