

Conflicts of Interest Policy

Amati Global Investors Limited (“Amati”) has a duty to avoid conflicts of interest arising or, in circumstances in which such conflicts do arise, to ensure fair treatment of clients. Importantly, Amati must not unfairly place its own interests above those of its clients. It is therefore essential that any conflicts of interest are identified and managed appropriately. Disclosures should only be used as a last resort and where there is a recognition that the processes put in place by Amati have not been sufficient to manage and prevent the conflict in question.

Conflicts are best handled early in the context of a client relationship. Therefore, all must be alert to potential conflicts of interest both actual and those matters that a client might perceive as such. Consideration should be given to actual or potential conflicts at the time the client is taken on.

Once a conflict has been identified it must be brought to the attention of the Head of Risk and Compliance and the Chief Executive Officer. On some occasions Amati may have to decline to act because of a conflict; on others a combination of appropriate disclosure and re-allocation of staff or individual responsibilities may allow the transaction or project to proceed. Where Amati relies on disclosure it is important that the disclosures are documented (initial disclosure may be verbal but should be followed up in writing).

Where a conflict is difficult to resolve it is important to involve other senior managers and directors. In extreme cases, if a member of staff has disclosed concerns but is not satisfied with the way in which they are being acted upon, he or she has the right to “blow the whistle”. See our Whistleblowing Policy for further details.

Purpose of the policy

This policy addresses FCA requirements as per SYSC10 of the FCA Handbook and sets out the guidelines for employees who find themselves in situations where the company (or the employee asked to advise or deal for the customer) has a material interest or a conflict of interest.

The general policy of the Amati is that in such situations no employee must knowingly advise or deal in relation to a relevant transaction unless he/she takes “appropriate steps” to ensure fair treatment for a customer.

Policy and guidance

Amati’s policy is to follow the FCA’s guidelines regarding the management of conflicts of interest by taking one or more of the following steps:

- (1) actively managing and preventing conflicts of interest;
- (2) disclosing the conflict of an interest to a customer, but only as a last resort and where there is a recognition that the systems and processes in place were not sufficient to manage and prevent the particular conflict in question;
- (3) relying on a policy of independence; and
- (4) declining to act for a customer.

Disclosure of a conflict of interest to a client

Subject to (2) above, Amati's policy is to disclose all material interest or conflicts of interest (that it has not been otherwise able to manage and prevent) to the customer whether generally or in relation to a specific transaction before it deals on behalf of the customer. Any disclosure should not be generic in nature and should provide specific details on the actual conflict involved at client/service level and explain why the organisational and administrative processes in place were not sufficient to manage and prevent the conflict in question.

Amati's terms and conditions for investment management clients disclose, at the outset of the relationship, the fundamental conflict of interest created by virtue of effecting transactions for different clients, and further disclose how we intend to manage that conflict (the precise wording varies):

"Amati or any Associate may effect transactions in which Amati, any Associate, another client of Amati or of any Associate has, directly or indirectly, a material interest or relationship of any description with another party, which involves or may involve a potential conflict with Amati's duty to the client.... Except as required by FCA rules, neither Amati nor any Associate shall be liable to account to the client for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions, or to disclose the same or the identity of any other client or counterparty involved in such transactions, nor will Amati's fees, unless otherwise provided, be abated.... Amati will ensure that such transactions are effected in accordance with its (1) Best Execution Policy, (2) Co-Investment and Order Allocation Policy, and (3) Conflicts of Interest Policy, on terms which are not materially less favourable than if the conflict or potential conflict had not existed."

At all times Amati must be able to demonstrate that it has taken appropriate steps to ensure that the customer does not object to this conflict of interest and, where it does not form part of the investment management agreement, confirmation of such should be given in writing.

Policy of independence

In exceptional situations when it is not practical to act in accordance with the disclosure policy, Amati ensures fair treatment for its customers by relying on a policy of independence.

An independence policy is designed to ensure that in providing services to clients, Amati employees act independently of any interest which may conflict with the duties owed to different clients or between the firm and its clients.

Where conflicts are significant, the independence policy may not of itself be sufficient to ensure fair treatment for clients. In these circumstances it may be necessary to take other appropriate steps such as the establishment of a Chinese wall, specific disclosure of an interest to the client, reallocating responsibilities or ceasing to act for the client.

Amati's employees must comply with the following independence policy:

All members of staff must disregard any of the interests described below and must not allow the existence of such interests to influence them when dealing with clients or potential clients:

- Any personal interests which they or members of their family may have. Where appropriate, a client should be advised of such an interest;
- Any existing, proposed or prospective business relationship between any member of Amati and any third party;
- Any agreement or transaction which has been, will be or may be, entered into by any member of Amati; and
- The holding by, interest or position of, any member of Amati in any investments issued by the client or any third party.

It is important to note that the examples above are not exhaustive. Employees are reminded that they are required to consider conflicts of interest and the need to act independently of such conflicts at all times.

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