

OUTLINE OF ASTOR RIDGE LLP'S CONFLICTS OF INTEREST POLICY

Under FCA's Principles for Businesses, Principle 8 requires a firm to "*manage conflicts of interest fairly, both between itself and its customers and between a customer and another client.*" Under the Markets in Financial Instruments Directive ("**MiFID**") Astor Ridge LLP is required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage such conflicts of interest. Astor Ridge LLP has put in place a policy to meet this obligation and set out below is a summary of that policy and the key information that is needed by clients and counterparties (together "**customers**") to understand the measures Astor Ridge LLP is taking to safeguard the interests of its customers.

Astor Ridge LLP's Conflict of Interest Policy

Astor Ridge LLP seeks to:

- identify circumstances which may give rise to conflicts of interest entailing a material risk of damage to customers' interests;
- establish appropriate mechanisms and systems to manage those conflicts; and
- maintain systems in an effort to prevent actual damage to customers' interests through the identified conflicts.

What is a conflict of interest?

A conflict of interest under MiFID is a conflict that arises in any area of Astor Ridge LLP's business in the course of providing its customers with a service which may benefit Astor Ridge LLP (or another customer or whom Astor Ridge LLP is acting) whilst potentially materially damaging another customer where Astor Ridge LLP owes a duty to the customer. There may be a conflict where Astor Ridge LLP (or anyone connected to Astor Ridge LLP including another Astor Ridge LLP affiliate):

- is likely to make a financial gain (or avoid a loss) at the expense of its customer;
- is interested in the outcome of the service provided to its customer where the interests of Astor Ridge LLP is distinct from that of the customer;
- has a financial or other incentive to favour the interests of one customer over another;
- carries on the same business as a customer;
- receives money, goods or services from a third party in relation to services provided to a customer other than standard fees or commissions.

Astor Ridge LLP has sought to identify conflicts of interest that exist in its business and has put in place measures it considers appropriate to the relevant conflict in an effort to monitor, manage and control the potential impact of those conflicts on its customers. The conflicts identified include:

- those between customers with competing interests;
- those between customers and Astor Ridge LLP where their respective interests in a particular outcome may be different; and
- those between the personal interests of staff of Astor Ridge LLP and the interests of Astor Ridge LLP or its customers where those interests may be different.

Policies and procedures

Astor Ridge LLP has adopted numerous internal policies and procedures, often set out in its Compliance Manual or in its procedures manuals, in order to manage recognised conflicts of interests. These policies and procedures will be subject to our normal monitoring and review processes and include:

(a) Integrity and Standards of Conduct

Astor Ridge LLP insists that in its dealings with customers its staff must use the highest standard of integrity in their actions at all times. The induction program, Training & Competency procedures and monitoring program at Astor Ridge LLP are designed to ensure that all relevant staff are familiar with and observe, inter alia, the FSA Principles for Businesses and the Statements of Principle and Code of Practice for Approved Persons.

(b) Customer Orders

In order to ensure as fair treatment as possible for customers, the Astor Ridge LLP Execution Policy requires Astor Ridge LLP to take all reasonable steps to achieve the best overall trading result for customers; to exercise consistent standards; and operate the same processes across all markets, clients and financial instruments in which it operates.

No undue preference should be given to any customer when trades are aggregated. Reallocation to any individual customer may only be made to correct an error or to adjust an uneconomic initial allocation e.g. on a partial fill of an order

There may be occasions when customer orders may have a material effect on a relevant securities price. In order to ensure that a broker does not take advantage of the situation by dealing on his/her own account or encouraging a third party to deal, Astor Ridge LLP has a strict “no front running” policy.

In order to ensure a fair and orderly dealing environment within the market, Astor Ridge LLP further ensures that its staff comply with the revised Code of Market Conduct reflecting the provisions of the Market Abuse Directive, as well as the relevant FSA Rules, which aim to prevent insider trading, the misuse of information and market manipulation.

(c) Personal Account Dealing (“PAD”)

Astor Ridge LLP has a policy on Personal Account Dealing and the rules are signed off as understood by all relevant employees regardless of their position within the Astor Ridge LLP Group.

Staff may not deal the same way for personal account as a customer order or potential order before it is executed or where a customer’s interest could be adversely affected.

Further, PAD procedures require relevant areas of the business to obtain pre-approval by the Compliance Department and all broking staff are required to report any investment activity.

All staff are regularly reminded of the Personal Account Dealing rules through general all staff emails.

(d) Confidentiality and Information barriers

Astor Ridge LLP has put in place procedures to control or prevent the flow of information between Astor Ridge LLP business units and entities where the interests of customers of one business unit or entity may conflict with the interests of customers of another Astor Ridge LLP business unit or entity or with Astor Ridge LLP’s own interests. Further Astor Ridge LLP insists on strict customer confidentiality to ensure that information is disclosed only to those entitled to receive it or otherwise with the prior approval of the Compliance Department.

(e) Inducements to Employees from Customers

Staff are not allowed to accept gifts, entertainment or any other inducement from any person which might benefit one customer at the expense of other when conducting investment business. For example, where two customers give similar orders and one customer agrees to pay more commission, priority or better execution terms must not be granted to that customer’s order when it conflicts with obligations owed to the other customer.

Astor Ridge LLP staff are not allowed to place undue pressure upon customers to persuade the customer to trade through the firm to the extent that this might give rise to a conflict of interest between that customer and its own underlying customers

(f) Group Companies

Customers are to be informed of the relationship where the counterparty to the deal is another Astor Ridge LLP Group Company or where the services of another Astor Ridge LLP Group Company is recommended.

(g) Remuneration Policy

The remuneration of staff usually consists of a performance related commission/bonus. We strive to ensure our employees remain motivated whilst at the same time ensuring this remuneration scheme does not encourage inappropriate behaviour. We recognise this conflict and through our monitoring mechanisms remain alert to potential abuse.

(h) Separate supervision and segregation of function

Where appropriate, Astor Ridge LLP has arranged for the separate supervision of those carrying out functions for customers whose interests may conflict, or where the interests of customers and Astor Ridge LLP may conflict and has taken steps to prevent the simultaneous or sequential involvement of a relevant person in separate services or activities where such involvement may impair the proper management of conflicts of interest.

(i) Disclosure

As a last resort, where there is no other means of managing the conflict or where the measures in place do not, in the view of Astor Ridge LLP, sufficiently protect the interests of customers, the conflict of interest will be disclosed to customers to enable an informed decision to be made by the customer as to whether they wish to continue doing business with Astor Ridge LLP in that particular situation.

(j) Declining to Act

Finally, where Astor Ridge LLP considers it is not able to manage the conflict of interest in any other way it may decline to act for a customer.