

# Shareworks

by Morgan Stanley

**Solium Capital UK Limited**

**Conflicts of Interest Policy**

**November 2019**

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**Document history**

*Section for use by the Compliance Officer/Head of Compliance only*

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## 1. Introduction

The purpose of this Conflicts of Interest Policy in accordance with Article 34 (2) of MiFID II and SYSC 10 is:

- To identify, by reference to the specific services and activities carried out by (or on behalf of) Solium Capital UK Limited (“Solium”, “Firm”), the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients; and
- To specify procedures to be followed and measures to be adopted in order to manage such conflicts; and
- To communicate this information to all those who are in the Firm

It is the responsibility of all staff members to familiarise themselves with the contents of the Policy and report conflicts of interest to the Head of Compliance using the appropriate channels.

## 2. Background to Firm

There is the potential for conflicts of interest to arise in the course of the provision of investment services/activities and, as such, Solium has developed (and maintains) a conflicts of interest policy which has been designed to identify circumstances which constitute, or may give rise to, a conflict of interest which entails a risk of damage to the interest of one or more of our clients.

## 3. Identifying Conflicts of Interest

Specifically, our policy is designed to identify and manage conflicts of interest in relation to which Solium:

- Is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- Has an interest in the outcome of a service provided to the client, or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- Has a financial or other incentive to favour the interest of another client, or group of clients, over the interests of the client;
- Carries on the same business of the client; and
- 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 monies, goods or services, other than the standard commission or fee for that service.

Moreover, senior management have identified the following circumstances as circumstances which give, or may give rise to, a conflict of interest.

- Solium is acting for clients working within the same sector or industry;
- Solium employees have external interests which conflicts to that of the company
- Solium employees have an interest in client shares that may conflict with their duty within the Firm and;
- Solium's employees are trading in the securities or other financial instruments of clients of Solium's.

## 4. Managing Conflicts of Interest

Solium has considered and has put in place, as appropriate, the following measures to ensure that all relevant persons engaged in the provision of services/activities that give rise to/may give rise to a conflict of interest, of the like specified above, carry on those activities at a level of independence appropriate to the risk of damage to the interests of clients. Such measures include:

- Separate supervision: putting into place management practices that ensure the separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the firm.

- Remuneration: ensuring the removal of any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities.
- Inappropriate influences: putting in place measures to prevent or limit any person exercising inappropriate influence over the way in which a relevant person carries out services or activities.
- Segregation of function: putting in place measures to prevent or control 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.
- Personal account dealing: putting in place measures imposing certain restrictions, approval procedures and reporting requirements in relation to personal account dealings.
- Independence: putting in place measures which enable relevant persons to act independently in the interests of the client ignoring any conflicting interest of the Solium's.
- Restricted lists: where we provide services to a particular company or in relation to a particular company, it may be appropriate that dealing in securities issued by this company be restricted. The restriction may be absolute or may be subject to exceptions.
- Declining to act: having in place appropriate measures to enable Solium, as appropriate, that in circumstances in which all other management techniques fail, Solium declines to act.
- Disclosure: If arrangements to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a client will be prevented, we will adopt an approach whereby we disclose to clients in a full and clear manner any general or specific conflict to a client before undertaking business for that client. Disclosure must only be used as a matter of last resort after all other options to successfully mitigate the conflict of interest have been exhausted.

## **5. Staff Responsibilities**

All employees should familiarise themselves with this Policy and report any potential or actual conflicts of interest to their line manager who will in turn report them to the Head of Compliance.

Failure to adhere to this policy may result in staff being in breach of their employment contract.

## **6. Senior Management Responsibility**

Overall responsibility for conflicts of interest lies with the Board and they are responsible for ensuring this policy is reviewed at least annually and if there is any material change to the activities of the Firm.

The Head of Compliance will work with line management to identify and prevent conflicts of interest and all conflicts will be recorded on the Firm's conflicts register, which will be updated on a quarterly basis. In addition, the Head of Compliance will undertake an annual review to ensure that the Firm has complied with this policy.