

Rathbone Unit Trust Management

Conflicts of interest policy

1. INTRODUCTION

Asset management businesses such as Rathbone Unit Trust Management are required, as part of their regulatory obligations, to identify potential and actual conflicts of interest which may arise during the course of undertaking regulated or ancillary activities, and have systems and procedures in place to manage or resolve such conflicts. We owe a fiduciary duty to our clients to ensure that conflicts are managed and where possible resolved in order to avoid any detriment. Conflicts of interest are and will remain a key focus for the regulator, in Rathbone Unit Trust Management's case, the Financial Conduct Authority (FCA). Principle 8 of the FCA's handbook states "A firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client." The full regulatory obligations are contained in section 10 of the FCA Senior Management Arrangements, Systems and Controls sourcebook.

We are further required to prepare, maintain and implement a written policy covering the business activities of Rathbone Unit Trust Management, which this document seeks to achieve. This will be a living document which will be reviewed on an annual basis by the Rathbone Unit Trust Management board, and contains a register of potential and actual conflicts identified within Rathbone Unit Trust Management, providing details of how these conflicts are managed and mitigated.

2. WHAT IS A CONFLICT OF INTEREST?

A conflict of interest arises when:

1. The firm's interest or the interests of its managers, employees or any person directly or indirectly linked to it by control, conflict with the duty it owes to our clients; or
2. The duties the firm owes to one client conflict with the duties it owes to another client in the course of providing regulated activities.

Steps have been taken to identify conflicts of interest across the activities undertaken by Rathbone Unit Trust Management, and these, along with the processes and procedures to control and mitigate are reviewed on a six monthly basis by the Rathbone Unit Trust Management board by way of a report produced by the Rathbone Unit Trust Management Compliance Officer.

This will include the provision of management information (MI) to support the current status of each conflict where appropriate. Additionally, in respect of payment of commission to brokers for the provision of research, a separate Rathbone Unit Trust Management committee meets to review this on a quarterly basis.

3. PERSONAL OBLIGATIONS

Rathbone Unit Trust Management requires all staff to understand and adhere to the requirements of this document. Personal integrity and vigilance is essential in recognising conflicts that may be either at a personal level or in respect of the activities undertaken for our business. Staff are expected to exercise the highest standards of integrity and ethical business conduct to ensure the fair treatment of clients. All staff are required to avoid any situation in which their personal interests conflict with Rathbone Unit Trust Management's fiduciary duty to its clients. Staff are required to report any potential conflicts that they have identified, or that could arise in the first instance to the Rathbone Unit Trust Management Compliance Officer. To ensure that staff understand their responsibilities, training in conflicts of interest is provided to all new joiners, and an annual attestation of the current policy, its contents, and attachments is required of all staff.

4. DISCLOSURE

If a situation should arise where Rathbone Unit Trust Management's arrangements to manage its conflicts are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of clients will be prevented, then Rathbone Unit Trust Management will be required to disclose the general nature and the sources of the conflicts of interest to investors. The disclosure will be made in a durable medium and will include sufficient detail in order for the client to take an informed decision in respect of the service in the context of which the conflict arises.

5. TYPE OF CONFLICTS

Potential conflicts of interests currently exist in the following areas:

- Provision of research to Rathbone Investment Management managers by Rathbone Unit Trust Management fund managers and analysts.
- Investment in Rathbone Unit Trust Management funds by Rathbone Investment Management managers.
- Use of commission to buy research by Rathbone Unit Trust Management fund managers.
- Personal Account Dealing.
- Provision and receipt of Gifts and Benefits (contained in a separate policy attached).

- Management of bespoke Rathbone Unit Trust Management funds as well as discretionary accounts.
- Management of external funds by Rathbone Unit Trust Management managers.
- Terms of business with platforms, supermarkets and other groups with whom we do business.

6. TREATING CUSTOMERS FAIRLY

Treating Customers Fairly remains central to how Rathbone Unit Trust Management conducts business with its clients. Under the six separate ‘TCF Outcomes’ we look to ensure that our products are understandable, are targetted to an appropriate market, that they are treated correctly by our outsourced service providers, and that products perform as clients have been led to expect. In ensuring a fairness of treatment, Rathbone Unit Trust Management will look to ensure that conflicts between itself and clients do not arise as a consequence of product design, and that conflicts do not arise between one client and another where redress is required in respect of one client, but where the error affects other similarly.

7. MANAGEMENT INFORMATION

The collation and production of management information (MI) is vital in order to allow Rathbone Unit Trust Management’s management to review the ongoing details and trends relative to actual and potential conflicts of interests.

As a result a suite of MI data has been created that will produced for the Rathbone Unit Trust Management board to support the Rathbone Unit Trust Management Compliance Officer’s report on conflicts on a six monthly basis. Details of the MI to be produced is as follows:

Conflict of interest	Description	Frequency of reporting
Investment in Rathbone Unit Trust Management funds by Rathbone Investment Management investment managers	Spreadsheet showing holdings in Rathbone Unit Trust Management funds by Rathbone Investment Management managers including movements.	Quarterly.
Personal Account (PA) dealing	Spreadsheet showing PA dealing to be provided to Rathbone Unit Trust Management Board.	Half yearly
Provision and receipt of gifts and benefits	Spreadsheet showing summary details of all Gifts and Benefits forms logged. To be provided to Rathbone Unit Trust Management Board.	Half yearly
Treating Customers Fairly (TCF)	Dashboard showing adherence to relevant TCF Outcomes. To be provided to Rathbone Unit Trust Management Board.	Quarterly.
Provision of research to Rathbone Investment Management investment managers	Spreadsheet showing recommendations made by Rathbone Unit Trust Management Fund Managers and analysts.	Quarterly

Version History

Date:

Version 1. Initial Draft 25/03/2014.