

Conflicts of Interest Policy

Capital at Work Group

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1. Introduction

As referred to in the General Terms of Business of CatW, this document provides further insight on our conflicts of interest policy.

1.1. The purpose and applicability

Under the European Directive 2004/39/EC of 21 April 2004 on Markets in Financial Instruments ("MiFID"), Capital at Work Group ("CatW") will maintain and operate effective organizational and administrative arrangements with a view of taking all reasonable steps to identify, monitor and manage such potential conflicts of interest.

This Policy describes how we practically meet our obligation in relation to managing the conflicts of interest that are inherent in our business. This policy is an adjunct to our overarching general obligation to act with integrity and fairness, both with its clients and with its counterparts. The purpose is to set out the approach we take and procedure we use to:

- Identify the conflicts of interest highlighted by MiFID;
- Establish and maintain appropriate methods of managing such conflicts; and
- Keep a Register of the relevant conflicts that have arisen or may arise.

This policy is available on client request. CatW reserves the right to amend or supplement this policy at anytime.

This Policy applies to all private and professional clients as well as to Eligible Counterparties.

1.2. Implementation

This Policy is effective as from November 2007.

2. CatW's approach to Conflicts of Interest

2.1. Identifying Conflicts of Interest

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

- Is likely to make a financial gain (or avoid a loss) at the expense of its client;
- Is interested in the outcome of the service provided to its client where the interests of CatW is distinct from that of the client;
- Has a financial or other incentive to favour the interests of one client over another;
- Carries on the same business as a client;
- Receives money, goods or services from a third party in relation to services provided to a client other than standard fees or commissions.

CatW has carried out an exercise 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 clients. The conflicts identified include:

- Those between clients and CatW where their respective interests in a particular outcome may be different;
- Those between the personal interests of staff of CatW and the interests of CatW or its clients where those interests may be different;
- Those between clients with competing interests.

2.2. Identified circumstances

The identified circumstances which constitute or may constitute a conflict of interest are the following with reference to portfolio management, investment research, and execution of orders:

- Advising clients to buy CatW's *own products*;
- Trading or dealing on *own account* in financial instruments for which CatW advise and transact for its clients;
- Acting as agent for more *than one client in a transaction* (e.g. subscription to an IPO);
- Using the results of *investment research* done on behalf of a client in order to favour some managed portfolios or to advise some clients to buy or to sell financial securities;
- CatW's staff or CatW itself takes advantage of investment research done on behalf of a client in order to favour its own financial position;
- CatW uses an intermediary instead of another one because it will receive higher *retrocession* rates.
- CatW's staff or CatW itself may execute its own orders or client orders related to managed portfolio(s) just before executing the client orders received for execution;
- CatW may advise a client to undertake a transaction just before executing the orders received;
- Positions held by employees in firms other than CatW;
- CatW receipt and offer of inducements.

All identified circumstances and arrangements put in place to manage the potential conflicts are detailed in the conflict of interest procedures.

2.3. Managing conflicts of interest

The department *Company Surveillance* has been established within the Group to enhance the effectiveness of risk management and compliance within each entity of the CatW Group and coordinate globally. Ongoing identification and monitoring of potential conflicts of interests is one of the objectives of *Company Surveillance*.

The measures we have adopted to manage identified conflicts are summarised below. We consider them appropriate to our efforts to take reasonable care that, in relation to each identified potential conflict of interest, we act impartially to avoid a material risk of harming your interests.

The measures adopted by CatW in an effort to manage the conflicts identified are generally within one of the following categories:

Policies and procedures

CatW has adopted internal policies and procedures in order to manage recognised conflicts of interests. These policies and procedures will be subject to our normal monitoring and review processes.

Information barriers

CatW has put in place procedures to control or prevent the flow of information between CatW's entities where the interests of clients of one entity may conflict with the interests of clients of another CatW entity or with CatW's own interests.

Separate supervision and segregation of function

Where appropriate, CatW is committed to arrange for the separate supervision of those carrying out functions for clients whose interests may conflict, or where the interests of clients and CatW 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.

Disclosure

Where there is no other means of managing the conflict or where the measures in place do not, in the view of CatW, sufficiently protect the interests of clients, the conflict of interest will be disclosed to clients to enable an informed decision to be made by the client as to whether they wish to continue doing business with CatW in that particular situation.

Declining to Act

Where CatW considers it is not able to manage the conflict of interest in any other way it may decline to act for a client. If you would like further detail regarding our Conflicts of Interest Policy please contact your contact person who will be happy to assist.

APPENDIX I – Definition of terms used in this policy

CatW: means all CatW legal entities present in Belgium, Luxembourg, Spain, Switzerland and their subsidiaries (e.g. the Netherlands).

CatW Funds: means open-ended collective investment schemes/mutual funds and closed end funds that are established, sponsored and managed by CatW.

Clients: means institutions and individuals to whom CatW provides discretionary, advisory and execution investment management services.

Client Mandate: means the specific investment policies, guidelines, restrictions and risk tolerances set out in the investment management agreement between each client and CatW.

Controls: means the policies, procedures, organisational and supervisory arrangements designed, established and implemented by CatW to manage and monitor the conflicts of interest set out in this Policy.

Employees: means directors, officers and employees of CatW.

Securities: means shares, bonds, mutual funds and other financial instruments subject to MiFID