

Conflicts of Interest Policy

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Conflicts of Interest Policy

Introduction

In line with Unicorn's objective to ensure good outcomes for all underlying customers, Unicorn is required to take all reasonable steps to identify and manage conflicts of interest that could have a detrimental effect on underlying customers, irrespective of the business undertaken or the customer's classification.

Unicorn is committed to always acting in the customer's best interests and put the customers' interest ahead of its own. SYSC 4 and SYSC 10 require the Unicorn Board of Directors to establish an effective to identify, control and review conflicts of interest.

FCA Principle 8, which is set out in more detail within the FCA rule book, (SYSC 10), states that a firm has an obligation to identify and manage conflicts of interest fairly.

These may arise;

1. Between itself, including its directors, managers, employees, appointed representatives and any persons linked to it by control, and its clients; or
2. Between any two, or more, of its clients in the course of the firm carrying out regulated or ancillary activities.

Scope

This policy governs our conduct in respect to all our clients and applies to **all staff**, whether temporary, permanent or on secondment from third parties.

Unicorn will take disciplinary action (up to and including termination or employment or contractual relationships) and may be referred to law enforcement agencies where necessary. Failure to comply with the policy may also constitute individual Conduct Rule breaches.

Policy

To ensure that all investment decisions taken by Unicorn or by individuals employed or associated with the firm are effected as if the conflict had not existed.

All potential conflicts of interest are required to be entered on the Conflicts of interest register. The Conflicts of Interest policy is reviewed annually to ensure that all potential conflicts have been captured and the policy remains relevant.

Definition of Conflict of Interest

A conflict of interest, whether real or perceived, is a situation where a person or company has interests which compete with those of another party. These situations may result in difficulties in being able to discharge the firm or individual's duties impartially.

Types of Conflict of Interest

A conflict of interest may occur if Unicorn or any member of its staff:

- Is likely to make a financial gain, or avoid financial loss, at the expense of a customer;
- Has an interest in the outcome of a service provided to a customer or if a transaction carried out on behalf of a customer, which is different from the customer's own interest in that outcome;
- Has a financial or other incentive to favour the interest of one customer over another that they are dealing with;
- Carries on the same business as the customer; or
- Receives or will receive from a person other than the customer an inducement in relation to a service provided to that customer, in the form of money, goods or services other than the standard commission or fee for that service.

Business of the firm

Unicorn is authorised and regulated by the Financial Conduct Authority (FCA).

Its business comprises the provision of investment management services to a Venture Capital Trust and an OEIC and investment advisory services to an Investment Trust and an AIM IHT portfolio management service.

The firm also acts as Authorised Corporate Director in respect of the Unicorn Investment Funds.

It is not a Market Maker and does not conduct any Corporate Finance activities, and there is no potential for conflicts of interest to arise in respect of those activities.

Declarations

All directors and employees have a duty to declare any potential conflict of interest. Staff are asked to declare their interests when changes occur and to confirm their position annually. If in any doubt as to whether the declaration needs to be updated staff should err on the side of caution. The compliance officer maintains a register of interests which is reviewed by the Board annually as part of the firm's annual conflicts report. Additions to the register are notified to the board as they occur.

Avoiding Conflicts of Interest

In order to avoid conflicts of interest arising, staff should always conduct business with good judgement, and be fully familiarised with the circumstances which can lead to conflicts arising.

Essentially, this means that staff should adhere to the following general standards of behaviour:

- Understand and abide by internal rules, policies and procedures, including the Gifts & Hospitality Policy;
- Not unfairly place their own interests above those of their customers;

- Not engage in any activity, conduct, business interest and/or employment that might reasonably be interpreted as tending to adversely affect the performance of their duties;
- Not participate in gambling (or any other associated activity) that might impact on their work;
- Raise any points of concern or uncertainty with their manager for clarification; and;
- Not act if there is any suspicion of a conflict of interest arising, or if one has materialised.

Specific Prohibitions

In addition to the general standards of behaviour listed above, staff must ensure that they do not:

1. Accept or offer inducements (e.g. gifts or hospitality), which could be perceived as conflicting with the interests of our customers;
2. Separately engage in business with individuals or entities that regularly engage in business with Unicorn, unless that relationship has been fully disclosed to Compliance and/or Human Resources.
3. Use customer information for personal, family or any other gain. All information concerning Unicorn and its customers is considered confidential and must be used for Unicorn purposes only;
4. Carry out outside employment of any kind without obtaining advance written approval from Compliance;
5. Engage in any outside business interest without first providing full and accurate notification in writing to Compliance;
6. Accept personal fiduciary appointments (such as trusteeships or executorships) other than those arising from family relationships, without obtaining advance written approval from Compliance;
7. Undertake personal account trades when in possession of related confidential information;
8. Delay or unfairly allocate orders across clients;
9. Deal ahead or advise other customers to deal in front of known customer orders (front-running);
10. Provide advice in an area in which Unicorn has or may acquire a financial interest which could be affected by such advice;
11. Cross trade between clients where the trade is not beneficial to both customers and cannot be executed at a fair price;

Reporting Conflicts of Interest

In the event of a conflict of interest being suspected, the matter must be immediately reported to Compliance, along with full details of the nature of the conflict and the customer(s) affected.

Determination and Resolution of Conflicts of Interest

Following a thorough investigation of the suspected conflict, the Compliance Officer (if the conflict is material) will determine whether or not a conflict of interest (potential or actual) exists. Where it is determined that a conflict does in fact exist, appropriate and timely remedial action will be taken to resolve the matter. All conflicts, regardless of materiality and the relevant mitigating controls will be documented within the Conflicts of Interest register.

Conflicts governance

The board of UAM have delegated responsibility for oversight of conflicts of interests to the Conduct Committee. The Conduct committee is responsible for monitoring the business to identify actual or potential conflicts of interest and oversight of mitigating actions and tracking them to conclusion where appropriate.

Disclosure of Conflicts (SYSC 10.1.8 R)

In the event that a conflict of interest cannot be resolved, to such an extent that it cannot be reasonably demonstrated that any risk of damage to the interests of the customer has been prevented, full details of the conflict must be disclosed to the customer before undertaking any business for them. Such disclosure must be in writing, and include sufficient information about the conflict to enable the customer to make an informed decision as to whether they wish to proceed with the proposed service. Prior to issue, the written disclosure must be approved by the Compliance Officer.

Record Keeping

Unicorn is required to maintain adequate records of any conflicts of interest identified, whether actual or potential. Therefore, a Conflicts of Interest Register is maintained by the Compliance Officer.

Staff Training

All members of staff should familiarise themselves with the Conflicts of Interest Policy. Additional training will be provided to individuals where it is deemed necessary.

Data Protection

The information retained will be processed in accordance with the Data Protection Act 2018 and will be used for no other purpose other than to monitor conflicts of interest.