



## Conflicts of Interest Policy

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### Introduction

Evolution Securities Limited (ESL) is authorised and regulated by the Financial Services Authority (FSA) and is required to manage conflicts of interest fairly (SYSC 10).

The FSA requires authorised firms to clearly disclose any areas of conflicts that may impact their investment activities and services.

The policy below sets out the systems, controls and procedures that ESL has in place to manage potential conflicts of interest.

ESL is committed to ensuring that its research is of the highest quality. We have a number of controls in place to ensure that the independence of our analysts is not compromised. We also have systems and controls in place to ensure that access to confidential and price sensitive information is restricted and that the research we produce is a true reflection of the analysts' opinion, based on his/her knowledge of both the sector and the company.

### Conflicts Disclosures

ESL provides a number of services to a range of companies and as a result we have commercial relationships with several companies that we research. Where a conflict exists we will disclose the nature of the relationship on the published research. We will also disclose whether we make a market in the securities of the covered company.

All research recommendations published by ESL will prominently set out any major shareholdings exceeding 5% of the total issued capital of the firm, that exist between the issuer of securities and any company within the Evolution Group.

Due to the nature of our business, we do not produce investment research that meets the MiFID's definition of "independent" as such all research published by ESL will be clearly identified as a "Marketing Communication"

For factual accuracy, we provide the companies we research an opportunity to review the draft document prior to publication. We clearly disclose on our published research, whether the document was reviewed and whether any changes were made following this review.

### Potential conflicts

As a result of the range of investment activities carried out within the Evolution Group, there are a number of instances which may give rise to potential conflicts of interest within the organisation. These activities include;

The activities of our **Market Making** team are segregated from all other areas of the business to ensure that the positions they take are taken in isolation from proposed research recommendations, Corporate Finance activity or unexecuted agency orders.

The **ESL Corporate Finance** department is entirely ring-fenced from the rest of the Group to ensure that no inside information is disseminated elsewhere in the organisation. Where other members of the Group are made 'insiders', the Group Compliance department manages a Wall Crossing policy.

**Agency orders** are received and executed by a dedicated team of staff, who execute clients orders fairly and in due turn. Unexecuted client orders may not be transmitted to any other member of staff.

Analysts are not allowed to distribute **Investment Research** within the Group prior to publication to clients. In addition, there are a number of restrictions for all staff where ESL is due to publish research for a particular security.

The Evolution Group comprises a number of **regulated entities**, all of which are segregated from other Group entities by physical location and by IT networks.

### **Personal Account Dealing**

ESL has a policy to restrict personal account dealing by staff in line with FSA requirements; all staff dealing is monitored for adherence to this policy. This policy includes a restriction on staff from dealing in stocks where ESL intends to publish a research note within the next 3 business days or on the day of publication.

A copy of this policy is available upon request.

### **Gifts and Entertainments Policy**

ESL has a policy designed to prevent all staff (including analysts) from accepting gifts or entertainments worth more than £250 without prior approval from both the compliance department and the head of their department.

### **Publication of Investment Research**

Where ESL publishes Investment Research it does so only through its usual distribution channels to all relevant clients, on a consistent basis. Our procedures ensure that the timing of research material intended for publication, is distributed to clients on an equal basis and is not distributed internally prior to client distribution.

## Corporate Finance

Where ESL has a mandate to manage an offering of securities on behalf of a corporate client, our conflicts procedures are intended to manage the potential conflicts that may arise in relation to all clients affected by such an offering. In particular ESL procedures establish a detailed process for determining the allocation and pricing policy in relation to a specific issue, in consultation with the issuer of securities.

## Analysts' involvement in other areas of ESL business

ESL may in some cases use the expertise of our analysts to assist in its corporate finance activities.

If an analyst comes into possession of price sensitive information, ESL policies are designed to prevent the analyst from issuing any research for which that information would be relevant. The analysts are not permitted to disclose the nature of the information to any other departments within ESL and may only discuss such information with other individuals who are registered with the compliance department as being insiders.

## Analyst remuneration

It is ESL policy that research analysts' are not compensated on the basis of their involvement in specific ESL investment banking activities directly.

## Record Keeping

Evolution Group maintains a record of all activities where a conflict of interest has arisen or may arise.

## Enquiries

If you have any queries regarding our policy, please contact:

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Head of Compliance  
020 7071 4%%%

or

Mitchell Gibb  
Compliance Officer  
020 7071 4352

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