

TPT Investment Management Limited

Conflicts of Interest Policy

Introduction & Purpose

The purpose of this Conflicts of Interest Policy (the Policy) is to set out TPT Investment Management Limited's (TPTIM) requirements for identifying and managing conflicts of interest.

Under current legislation and regulations, firms must establish policies and procedures to identify and prevent conflicts that could adversely affect a client's interests.

- FCA Principle 1 requires a firm to conduct its business with integrity.
- FCA Principle 6 requires that a firm must pay due regard to the interests of its clients and treat them fairly.
- FCA Principle 8 requires a firm to manage conflicts of interest fairly, both between itself and its clients and between a client and another client.

During the course of business, circumstances may arise whereby the interests of a client conflicts with:

- the firm's interests;
- the interests of a member(s) of staff;
- the interests of another client.

We are committed to treating our clients fairly and follow the principles of the regulations as indicated above. We avoid putting ourselves in a position whereby our own interests, or our duty to any persons for whom we are acting, conflict with our duty to a client where it is possible. However, we recognise that there may be instances whereby conflicts of interest are unavoidable. This Policy has been designed to manage such situations, and to ensure that TPTIM clients are treated fairly.

Alignment to Risk Appetite

Risk appetite is the type and level of risk that the firm is willing to take to achieve its strategy and deliver underlying objectives.

This Policy is aligned to the principal risks: Culture & Conduct and Legal & Regulatory Compliance, ensuring that risk focus is provided across all key governance and operational forums. The firm's risk appetite in relation to each of these principal risks is set as 'Averse'.

What is a Conflict of Interest?

A conflict of interest is a situation where a firm or the individuals representing that firm have competing professional and/or personal interests which may result in behaviour that is not in the best interests of clients. A firm will inevitably encounter conflicts of interest between the firm and its clients and between different clients, for example:

- the firm holds knowledge in confidence for one client which would benefit another;
- acting for one client may damage another;
- a firm and/or its employees may be remunerated in a way which encourages them to act against its client's interests;
- a firm's employees may take advantage of client information.

Where do Conflicts of Interest Arise?

Taking into consideration the business model for TPTIM, the following are examples of the type of situations that might give rise to conflicts of interest:

- Directorships and outside business interests – Directorships and positions of responsibility in other companies that influence TPTIM's procurement and corporate partnership decisions irrespective of clients' best interests.
- Business strategy – Senior management's desire to maximise profits may be incompatible with their responsibility to ensure that clients are treated fairly at all times.
- Gifts and other inducements – Gifts, entertainment, hospitality and other inducements from clients could influence the firm's directors and employees to do business for that client ahead of another, irrespective of clients' best interests.
- Close links – 'Close links' with other firms that may influence TPTIM's decision to do business with one intermediary or one supplier over another, irrespective of clients' best interests.
- Personal relationships – Personal relationships with clients that influence employees to prioritise one client's interests or complaint over that of another.
- Remuneration or incentive schemes:
 - o that may encourage TPTIM employees to undertake transactions irrespective of suitability, or to favour one investment solution over other more suitable ones.
 - o that might encourage employees of TPTIM or TPT Group to reject complaints or to pay as little redress or compensation as possible on upheld complaints irrespective of whether clients are being treated fairly.
 - o that encourage TPTIM employees to transact greater levels of turnover irrespective of clients' best interests.

- Financial promotions – Where financial promotions are targeted at a selection of or a group of clients over another that may be in breach of the Treating Customers Fairly principles and outcomes.
- Research – Where research material is produced by TPTIM and a director, employee or a member of their families may have positions in the security, including derivatives (such as options), in the companies referred to in the published research.
- Use of non-public information – where TPTIM employees may make improper use of non-public information for personal gain ahead of clients’ best interests.

Managing and Mitigating Conflicts of Interest

Overall approach

- Senior management is responsible for identifying the systems and controls appropriate to the business model and for ensuring that those systems and controls are put in place.
- If the directors and employees of TPTIM have a relationship that gives rise to a conflict with the interests of any of its clients, it will not knowingly act for that client without taking reasonable steps to ensure the fair treatment of that client.
- The directors and employees of TPTIM are required, where possible, to avoid any action which may involve a potential or actual conflict of interest with clients.
- The directors and employees of TPTIM should not have any undisclosed, unapproved financial or other business relationships with suppliers, clients or competitors that might impair the independence of any judgement they may need to make on behalf of TPTIM or its clients.
- Directors and employees who manage portfolios are subject to regular monitoring by supervisors.
- A financial promotion is prepared for sign-off along with evidence of the information utilised to prepare the communication. This is checked and evaluated by suitably skilled individuals. Where there is considered to be a conflict or potential conflict, disclosures will be made on research documents.

Duty to Report of Conflicts of Interest

- TPTIM directors and employees are expected to report conflicts or potential conflicts of interest by way of a written note, to the Head of Compliance (SMF16), immediately upon identification. These are assessed and logged in a Conflicts of Interest Register.

Systems and Controls for Preventing, Managing and Mitigating Conflicts of Interest

In addition to the above, TPTIM has a number of systems and controls in place to prevent conflicts of interest arising or to manage / mitigate any that do arise.

- When acting on behalf of a client, directors and employees must disregard any corporate or personal relationship, arrangement or interest that is likely to influence, in a manner material to the client, or action undertaken in relation to the transaction or service in question.
- Remuneration arrangements ensure that a balance is maintained in accordance with the firm’s values and behaviours.

- Complaints handling procedures are in place. Complaints are referred to the correct department for independent monitoring/evaluation and to take an overview or make a ruling.
- Processes are in place to enable disclosure of fees to clients.
- Information on claims and complaints are assessed by Compliance with relevant information provided to directors to identify any potential conflicts of interest.
- A Gifts Register and a Conflicts of Interest Register are maintained by the Compliance department and regularly monitored to ensure inducements and other conflicts of interest do not influence procurement and strategic decisions.
- Actual/potential conflicts of interest must be reported to the Head of Compliance (SMF16). The employee concerned must step back from any related decision making unless agreed in advance and by written agreement by the Head of Compliance.
- An order execution policy is applied to all client trading orders; a full copy of the Policy is available on request. This is designed to consistently allow the best outcome for a client given the size and nature of the order.
- If the directors or employees identify any relationships or interests that may give rise to a conflict with the interests of its clients, the firm will give due consideration to disclosing that conflict of interest before acting for that client. TPTIM will ensure that the disclosure is fair and not misleading, and contains sufficient detail to enable the client to make an informed decision as to how the conflict may affect the service being provided. TPTIM will not enter into any transaction with or for a client if it has reason to believe that the client has objected to the conflict of interest.

If TPTIM decides that a conflict of interest cannot be managed effectively by disclosing the conflict of interest to the client or by the policy of independence, the firm will give due consideration to declining to act for that client.

Examples of TPTIM’s identified and managed conflicts are show below.

Table 1: Identified conflicts

Potential Conflict	Expected mitigant
<p>TPTIM’s ultimate parent owner is also TPTIM’s largest client. Potential conflict would involve TPTIM taking steps to provide preferential treatment to the assets held in this trust, which are overseen by Verity Trustees Limited (VTL), the Trustee of the master trust.</p>	<p>The majority of investments managed by TPTIM will be through Alternative Investment Funds (AIFs), which pool the assets of both VTL and third-party scheme clients. Investment decisions will be made at the level of the AIF and will benefit all investors in that AIF equally.</p> <p>Any trading activity will be based on agreed models and target allocations, and no trades will be executed at a preferential rate depending on the client.</p> <p>Any switching opportunities for illiquid funds will be executed at a standard pricing point or, in the case of ad hoc withdrawals,</p>

	<p>can be withdrawn with the agreement of both parties with fair value agreed by the pricing agent.</p> <p>This will be dependent and driven by the fund guidelines and Investment Management Agreement (IMA).</p> <p>Compliance will review at least annually any changes in investment management arrangements or fee structures which may create a scenario where preferential treatment of group clients could emerge.</p>
<p>Incentive arrangements with third-party managers</p>	<p>In the case of externally-managed investments i.e. those that are not pooled within the AIFs, there may be preferential rates applied to the assets overseen by VTL due to the scale of the investments. In all cases, TPTIM will seek to obtain the lowest possible fees on investments and where possible also leverage the existing asset base for the benefit of all TPTIM-managed pension schemes.</p> <p>There will never be an agreement with an external investment manager which seeks to disadvantage a standalone pension scheme for the benefit of a master trust client.</p> <p>Fees and transaction costs are already monitored yearly and both used to monitor cost effectiveness of all investments and to challenge the performance of external managers. This process will continue with accountability at the Investment Committee and reported up to Executive Committee and Board for scrutiny. One of the key advantages of the proposed model is an immediate cost benefit to new standalone schemes via the existing asset base and its corresponding lower fee treatment from third-party managers.</p>
<p>Individuals hold dual roles across the TPT Group (TPTIM and TPT Retirement Solutions Limited)</p>	<p>Whilst the strategic and operational objectives of TPTIM and TPT Retirement Solutions Limited will be aligned, there is a potential / perceived conflict which could arise when individuals hold dual roles across the group.</p> <p>Such conflicts are limited in nature and are mitigated through both governance (e.g. decision making / approval, voting rights, conflict identification) and operational (e.g. training, role specifications, user access management etc) controls.</p>

TPT Investment Management Limited is a wholly-owned subsidiary of TPT Retirement Solutions Limited. TPT Investment Management Limited is authorised and regulated by the [Financial Conduct Authority \(FCA\)](#), reference number 988881, and provides investment management and consultancy services to UK pension schemes.

Registered address: Verity House, 6 Canal Wharf, Leeds LS11 5BQ

The services offered are for Eligible Counterparty and professional clients only.

For further information on TPT Retirement Solutions, please see www.tpt.org.uk.