



MITSUI BUSSAN COMMODITIES LTD

Summary of MBCL Conflicts of Interest and Inducements Policy

Overview

In accordance with FCA rules, Mitsui Bussan Commodities Ltd. (**MBCL or the firm**) has implemented a policy to identify and prevent or manage conflicts of interest.

Conflicts of interest can arise between:

- The interests of MBCL and those of its clients
- The interests of different clients
- The interests of employees and agents of MBCL and its clients

MBCL's Compliance Department supports senior management in identifying, preventing or managing and monitoring conflicts of interest, both actual and potential.

Identifying Conflicts of Interest

When evaluating a specific activity or arrangement, we consider the following important factors to identify whether a potential conflict of interest may exist.

Whether we, our employees or any agents of the firm:

- are likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- have an interest in the outcome of a service provided to the client (or of a transaction carried out on behalf of the client) which is distinct from the client's interest in that outcome;
- have a financial or other incentive to favour the interest of one client (or group of clients) over another client;
- carry on the same business as the client; or
- receive an inducement in relation to a service provided to the client, in the form of monetary benefit or non-monetary benefit (goods or services) other than the standard commission fee for that service.

MBCL maintains records of conflicts of interest which may arise at the firm.

Conflicts Management

MBCL has implemented a number of policies, procedures and processes in order to identify and manage any conflicts of interest which may arise. These exist in relation to gifts and entertainment, personal account dealing and outside business interests which require disclosures from staff to be made and prior approval to be obtained in certain circumstances.

When conflicts of interest arise, we will endeavour to manage them fairly and effectively. MBCL will maintain a record of any controls or measures that may be required in specific circumstances.

We will consider a number of factors in identifying appropriate measures to manage conflicts of interest. These include:

- procedures to prevent or control the exchange of information, which may include document classification, security and computer protections and/or confidentiality agreements;
- measures to prevent the misuse of information, which include monitoring of orders and transactions, communications monitoring, policies on execution and order management;
- separate reporting lines and supervision of relevant persons;
- removal of direct remuneration links;
- measures to prevent or limit any person from exercising inappropriate influence;
- measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate services or activities; and
- provision of appropriate management information to supervisors.

Separation of Functions

Separation of functions is achieved through appropriate management structures and reporting lines. These structures ensure that decisions in a particular business unit or department of the firm are taken independently of other business units or departments. These structures can be reinforced by information barriers when appropriate.

Our senior management are required, when considering any additional business functions or a re-organisation of existing functions and reporting lines, to consider and document the impact from a conflicts of interest perspective. In particular, they will identify how the changes address the need to maintain an appropriate separation of functions and management responsibility in order to facilitate the elimination or management of conflicts of interest.

Management of Information Flows

Ensuring that information, particularly sensitive or confidential information is not inappropriately or needlessly shared is a key control in the prevention of conflicts of interest. The abuse of confidentiality in terms of unauthorised disclosure or misuse is therefore strictly prohibited and all members of staff are expected to take all appropriate measures to avoid the accidental disclosure of such information.

Restrictions on Receiving Gifts and Entertainment

Where gifts and/or entertainment are offered to our staff by brokers/trading venues/vendors/other parties they can create a conflict of interest. We have a specific policy covering giving and receiving gifts and entertainment.

Restrictions on Personal Activity

MBCL staff are required to declare personal interests upon joining the firm and thereafter seek approval prior to engaging in personal account dealing activity or outside business interests in accordance with the firm's policies in these areas.

Restrictions on Inducements and Payment for Order Flow

MBCL does not accept payment for order flow from brokers.

MBCL does not receive any monetary inducements relating directly to the investment services provided to specific clients.

MBCL occasionally receives limited hospitality from industry participants in accordance with our Gifts and Entertainment policy. We do not consider that this creates a conflict with the interests of our clients.

MBCL receives certain minor non-monetary benefits, for example market briefings and updates, which are typically unsolicited and which present no material conflict of interest with those of our clients given the minimal value we attach to these products or services.

Disclosure of Conflicts of Interest

MBCL will inform a client if we are not confident that the measures put in place are sufficient to effectively eliminate or manage a particular conflict.

The client will be informed:

- of the general nature and/or sources of the relevant conflict of interest and the steps MBCL has taken to mitigate those risks;
- in a durable medium; and
- in a manner that the client is able to understand and will enable them to take an informed decision with respect to the service being provided in the context of the conflict of interest.

Conflicts from Outsourcing, Agents and Introducing Brokers

Outsourced Activities

As is common practice for many firms, we may utilise external parties for the provision of services. Any such arrangement or outsourcing agreement will only be entered into if and when a comprehensive assessment of potential conflicts of interest has been conducted and the appropriate approval has been granted recording how the conflicts have been prevented or managed.

Agents and Introducing Brokers

In the course of conducting business, we may retain the services of an agent or introducing broker to assist in finding and retaining potential customers. We have specific procedures that must be followed in entering into agency or introducing broker agreements. These procedures require an assessment of potential conflicts is carried out and the controls that are in place to eliminate or manage any identified conflicts are recorded.

Conflicts Monitoring and Assessments

Our Compliance function conducts monitoring on the effectiveness of controls relating to the prevention and management of conflicts using a risk-based approach. This monitoring may take two forms:

- monitoring of adherence to certain policies, such as those relating to gifts and entertainment, personal account dealing, and client order execution; and
- ad-hoc thematic 'deep-dive' reviews.

In addition, on a periodic basis Compliance carries out a risk assessment to identify and assess risks and controls across the firm in relation to conflicts of interest.

Related Policies

Certain internal records and policies relate to, or address, conflicts of interest, including:

- Conflicts of Interest and Inducements Policy
- Personal Account Dealing, Private Investments & Outside Business Interests Policy
- Gifts and Entertainment Policy
- Client Order Execution Policy

Record Keeping

Records relevant to conflicts of interest must be kept for 5 years.