

# CONFLICTS OF INTEREST SUMMARY

FEBRUARY 2025

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## 1 OVERVIEW

A firm must manage conflicts of interest fairly, both between itself and its Clients and between a Client and another Client. A conflict of interest is an inducement, arrangement or circumstance that compromises or is likely to compromise the interests of one or more Clients.

The Sarasin UK Group (“Sarasin”) is committed to identifying, monitoring and managing all actual and potential conflicts of interest that can arise between us, our Clients and funds we manage and between Clients of all areas of the Sarasin business.

Where a conflict of interest cannot be prevented, then our members of staff must conduct themselves in a manner that complies with the controls put in place to mitigate the conflict of interest; and ensure that it does not prejudice the interests of our Clients.

If a conflict of interest arises whereby Sarasin is unable to make such arrangements to ensure, with reasonable confidence, that the risk of damage to the interest of Clients will be prevented, then these conflicts of interest must be disclosed to the relevant Client/s.

## 2 CORPORATE STRUCTURE

Sarasin includes the following regulated entities:

- Sarasin & Partners LLP (Regulated by the FCA)
- Sarasin Investment Funds Limited (Regulated by the FCA)
- Sarasin Asset Management Limited (Regulated by the FCA and registered with the SEC as an Investment Adviser under the Investment Advisers Act 1940)

Sarasin is majority owned by Bank J. Safra Sarasin Ltd, which is a private bank headquartered in Switzerland. Bank J. Safra Sarasin is owned by the J. Safra Group, which is ultimately privately owned by Safra family members.

The main business of Sarasin & Partners LLP is the provision of discretionary investment management services to private investors, charities, trusts and institutions. It also acts as investment manager for Sarasin Funds. Sarasin Investment Funds is the Authorised Corporate Director (“ACD”) for the Sarasin UK Funds. It has appointed Sarasin & Partners LLP as investment manager to its Funds. Sarasin & Partners LLP also performs investment management for a Sarasin Irish Fund range.

Sarasin Asset Management Limited provides discretionary investment management services to US Clients.

## 3 REGULATION

Sarasin is required to take all appropriate steps to identify and to prevent or manage conflicts of interest between:

- Sarasin firms, including partners, managers and employees, or any other person directly or indirectly linked to them by control, and a Client; or
- between one Client or group of Clients and another Client or group of Clients.

This document provides you with a summary of our Conflicts of Interest policies and processes, which describe our approach to handling conflicts of interest. We deal with conflicts of interest on a case-by-case basis and we take all reasonable steps to treat our Clients fairly with consideration for ensuring we deliver good Client outcomes.

Examples of potential conflicts of interest that may arise include but are not limited to the following:

- we could make a financial gain or avoid a financial loss at the expense of a Client;
- we may have an interest in the outcome of a transaction or service carried out for a Client which is distinct from the Client’s interest in that outcome;
- we may have a financial or other incentive to favour the interest of one Client or group of Clients over the interests of another Client;
- we may carry on the same type of business as a Client or another Undertakings for the Collective for the Investment in Transferable Securities (“UCITS”) manager;
- there may be a conflict of interest between the interests of the different Funds that the group operates;
- there may be a conflict of interest between a third-party service provider and a Sarasin entity or a third-party service provider and a Client; and
- we may receive an inducement from a third party in relation to the services provided to Clients in the form of monies, goods or services other than the standard fee or commission for that service.

## 4 IDENTIFYING, RECORDING AND MANAGING CONFLICTS OF INTEREST

Sarasin's Conflicts Management Group includes representatives from senior management. The Conflicts Management Group's purpose is to review and assist with Sarasin's management conflicts of interest arising either generally or from time to time.

These specific topics that follow where conflicts of interest may arise are subject to rules of our regulators.

### 4.1 EMPLOYEE DEALING

We recognise that personal investment dealing can create a conflict of interest with the duties owed to our Clients. We permit our partners, executive directors and employees (together, "members of staff") to undertake personal investment dealing, however they and their connected persons must comply with our Personal Account Dealing Policy. The Policy requires review and pre-approval for certain transactions and prohibits dealing ahead of Client orders in the same security. Members of staff are also subject to the controls set out in the Market Abuse Policy.

### 4.2 INDUCEMENTS - GIFTS AND HOSPITALITY

Members of staff may give or receive gifts or hospitality to or from Clients. We take care through our Gifts and Hospitality Policy to ensure that these gifts or hospitality are not of a nature or value that would in any way affect the individual's behaviour in relation to the business we do for that Client or other Clients. In certain circumstances, and subject to FCA rules on acceptable minor non-monetary benefits, we may give or receive gifts or hospitality to or from counterparties, companies or other service providers.

### 4.3 INDUCEMENTS - RESEARCH

We use research from external research providers. This research is invoiced to and paid for by the firm. In limited circumstances we may receive free research that is considered to be an acceptable minor non-monetary benefit, such as material commissioned and paid for by a corporate issuer that is made available to the general public, or material that is provided for a trial period so that the provider's research service can be evaluated.

Research provided by Sarasin's analysts is impartial and is provided for use within our investment process

only. Sarasin does not publish or disseminate research documents. Where we publish or disseminate our investment strategy externally this is not considered investment research under the FCA's rules.

### 4.4 REMUNERATION

The remuneration of investment professionals and other staff at Sarasin usually consists of a salary and a performance related discretionary incentive bonus scheme.

Under our Remuneration Policy we strive to ensure that members of staff remain motivated whilst at the same time ensuring that remuneration does not encourage inappropriate behaviour or excessive risk-taking and delivers good outcomes to Clients. We recognise the potential for conflicts of interest and through our monitoring mechanisms remain alert to any potential failures. The methodology and payment of all elements of remuneration is subject to scrutiny from our Remuneration Committee and the Conflicts Management Group.

Our remuneration disclosure is published on our website.

### 4.5 DEALING FOR YOUR PORTFOLIO AND TRANSACTIONS WITH GROUP COMPANIES

Where we deal for our discretionary Clients or for Funds, we may buy or sell an investment in which a member of our wider group may have a proprietary long or short position.

We may also transmit orders and carry out various transactions in the course of its business through an associate, therefore generating revenue within the Sarasin group. Counterparties that we use for trades are carefully assessed in accordance with our Order Execution Policy. Transactions with associated companies form a very small proportion of the total and associates are treated in the same way as any other counterparty.

Sarasin group companies may also receive profits derived from business introduced to it by associates.

### 4.6 SARASIN FUNDS

We may direct investment for Client's into Funds. Where we do, we ensure that our discretionary Clients' portfolios do not incur additional fees, either through investment in zero charging share classes, or by offset. Where a Fund operated by the Group invests in units in another Fund managed or operated by

Sarasin or an associate of Sarasin there is no double charging. Sarasin Funds have a range of share classes for discretionary Clients with differing fees and charges. The Sarasin pricing procedures provide instruction as to their appropriate use.

#### 4.7 COMMISSIONS FROM THIRD-PARTY FUND MANAGERS

We may buy third-party Funds for our Clients and Funds. These may include Funds operated by a J. Safra Sarasin Group company. We buy institutional classes of units or shares and pay no renewal commission.

#### 4.8 BUSINESS INTERESTS AND SUITABILITY

Where we use our discretion to make investment decisions we are required to ensure that our actions are suitable for our Clients. However, we or some other person connected with us may have an interest, relationship or arrangement that is material to the service, transaction or investment concerned.

This may include matters such as:

- the retention of commissions which we receive from a third party;
- recommending that you buy or sell an investment in which one of our other Clients has given instructions to buy or sell;
- we may be acting in relation to investments where an associated company is involved in a new issue, rights issues, takeovers or similar transactions

Sarasin prohibits its Staff from serving on the boards of publicly traded companies except in cases where such service is not inconsistent with the best interests of our Clients or Sarasin. In this case the approval of our Executive Committee is required. The Conflicts Management Group is required to approve outside business activities and positions for members of staff such as with charitable or public organisations. If outside activities could pose a real or perceived conflict of interest with our Clients or interfere with a member of staff's responsibilities to Sarasin, this activity may be refused or made subject to conditions. In addition, Staff may not accept a position as an executor, trustee or power of attorney for a Client without the prior approval of the Executive Committee unless such position is for a family member.

#### 4.9 ORDER AGGREGATION AND ALLOCATION

We may combine ("aggregate") a transaction for client orders for other Clients and the Sarasin Funds,

since we believe that over time this results in improved performance of Client assets. However, the effect of aggregation may on some occasions work to a Client's disadvantage. Before orders are executed, the securities in the order will have been pre-allocated to individual Clients and the Sarasin Funds.

If we make an application on a Client's behalf for a new issue then if the allocation is scaled back it will be applied pro rata across all our Clients for whom we had made the order. If pro-rata allocation would result in unnecessary charges and or de minimis holdings we may revise the allocation. The Compliance Department reviews the effectiveness and fairness of the operation of any reallocation.

#### 4.10 PROPRIETARY TRADING

We may undertake proprietary trading in limited situations such as when required for seeding a Fund share class or to correct an administrative error. Such dealing is infrequent and is only conducted to the extent required to correct the position.

Proprietary trading may be undertaken by an associate to correct an error in respect of Sarasin's activities.

#### 4.11 STEWARDSHIP

We seek to act in the interests of all of our Clients when considering engagement and voting. Conflicts of interest may arise from time to time, such as voting on matters affecting other firms within our wider group or a Client or where our Clients are shareholders in two companies involved in both sides of a deal or dispute. Where a significant conflict of interest arises the Conflicts Management Group would be consulted. For further information on our commitment to responsible stewardship please see the Responsible Stewardship page on our website.

#### 4.12 OTHER

The following activities and services are not undertaken within Sarasin but may be undertaken by a related entity:

- Corporate Finance;
- Finance arrangements;
- Market maker;
- Investment research (No proprietary research is undertaken)
- Research information is compiled based on freely-available market information)

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