



ASSET MANAGEMENT

CONFLICTS OF INTEREST SUMMARY STATEMENT

RLAM is fully committed to maintaining the highest degree of professionalism, integrity and governance in the course of business, and ultimately to treating our customers in a fair and consistent manner.

In our activities we may face actual and potential conflicts of interest. Conflicts may arise between RLAM and its staff and clients; one RLAM client and another; and between RLAM and the Royal London Group.

RLAM's policy is to take all reasonable steps to properly identify and manage conflicts of interest and to always act in the best interest of our clients. This process aims to ensure that transactions are effected on terms which are not materially less favourable to the client than if the conflict had not existed.

RLAM has a detailed conflicts of interest policy that all members of staff are required to read and adhere to. The current policy has been drafted for a wide application and is targeted at an internal audience, but will be made available to clients on request.

What Conflicts Could Arise?

The Policy provides detailed examples of potential conflicts in their various forms; actual, potential and perceived. These include but are not limited to:

- The order and execution of trades;
- Access to insider information;
- Management of client accounts and confidential client information;
- Gifts and entertainment;

- Additional employment or consulting activities;
- New product launches;
- Voting and engagement.

How Are Conflicts Managed?

RLAM has policies and procedures in place to prevent the occurrence of potential and actual conflicts and to manage them as they arise. We maintain IT systems to minimise the flow of information between the different business units of RLAM that may influence decision-making.

Members of staff are required to adhere to the Execution and Allocation Policy, Gifts and Benefits Policy, and the Personal Account Dealing Policy. The business also maintains a Conflicts of Interest Register and a Conflicts of Interest Events Log.

Responsibility

Overall responsibility lies with RLAM Senior Management who are responsible for ensuring that RLAM's systems, controls and procedures are adequate to identify, manage and monitor Conflicts of Interest. RLAM Senior Management has responsibility for ensuring that staff are aware of the aspects of the Policy relevant to them.

Members of staff are required to identify and report conflicts of interest to their line manager who will in turn inform RLAM Compliance, who administer and maintain the Conflicts of Interest Register and Conflicts of Interest Events Log.

RLAM Compliance will work with line management to eliminate conflicts of interest, record conflicts and the mitigating action in the Conflicts of Interest Register (where applicable) and Conflicts of Interest Events Log, and report the situation to the Conflicts Working Group for consideration.

Failure to adhere to this Policy may be held to be a breach of a person's contract. Failure of a person to declare an interest will be regarded as misconduct and may lead to disciplinary action being taken against the individual concerned.

Potential Conflicts

Gifts and Entertainment

A conflict may arise in the event of the receipt of anything that can be construed as a gift or entertainment.

RLAM staff must ensure that they are not influenced, or perceived to have been influenced in making a business decision as a consequence of accepting a gift, entertainment or

hospitality. This area is strictly documented and pre-approval must be granted by RLAM Compliance for items above a materiality threshold.

Voting and Engagement

Conflicts or perceived conflicts may arise in respect of voting and other governance engagement activities.

RLAM has a specialist team whose role it is to determine voting decisions to help prevent a situation where a conflict may arise. Decisions are taken objectively in line with our voting policies and procedures and we will endeavour to always act in the interest of our clients.

Conflicts may, however arise where the company being voted on is a client of RLAM. In circumstances such as these decisions are taken in conjunction with the Chief Investment Officer, who may in turn consult with the Compliance or Legal teams. This may ultimately lead to RLAM refraining from voting at the meeting.

In the event of any of these situations or a change in our normal approach, any actions taken will be fully documented.

Group Conflicts

Conflicts may also arise where RLAM is managing internal funds for Royal London Group, its parent company.

We manage this risk by ensuring clear divisions of responsibility between RLAM and the Investment Office of Royal London Group.

Royal London Group business must be dealt with appropriately, specifically in respect of the investment management business undertaken by RLAM.

RLAM has an appointed Client Account Manager who is responsible for managing our relationship with the Group.

Disclosure

Should a conflict be unavoidable, RLAM will strive for appropriate and sufficiently detailed disclosure to the client.

The disclosure will include the general nature of the conflict and/or the sources of that conflict and be provided before undertaking the relevant business for the client. This will allow the client make an informed decision around whether to accept the conflict or terminate the activity.

A full copy of our Conflicts of Interest Policy can be made available on request.

For professional customers only. The views expressed are the author's own and do not constitute investment advice. Past performance is not a guide to future performance. The value of investments and the income from them is not guaranteed and may go down as well as up and investors may not get back the amount originally invested. For more information concerning the risks of investing, please refer to the Prospectus and Key Investor Information Document (KIID). Issued by Royal London Asset Management August 2016. Information correct at that date unless otherwise stated. Royal London Asset Management Limited, registered in England and Wales number 2244297; Royal London Unit Trust Managers Limited, registered in England and Wales number 2372439. RLUM Limited, registered in England and Wales number 2369965. All of these companies are authorised and regulated by the Financial Conduct Authority. All of these companies are subsidiaries of The Royal London Mutual Insurance Society Limited, registered in England and Wales number 99064. Registered Office: 55 Gracechurch Street, London, EC3V 0RL. The marketing brand also includes Royal London Asset Management Bond Funds Plc, an umbrella company with segregated liability between sub-funds, authorised and regulated by the Central Bank of Ireland, registered in Ireland number 364259, and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our regulation by the Financial Conduct Authority are available from us on request. Registered office: 70 Sir John Rogerson's Quay, Dublin 2, Ireland. Ref: RD RLAM W 0001