



Troy Asset Management Limited

Conflicts of Interest Policy (External)

Date: December 2024



EXTERNAL CONFLICTS OF INTEREST POLICY

1. Introduction

Troy Asset Management Limited (“Troy” or the “Firm”) must take all appropriate steps to identify and to prevent or manage conflicts of interest that may arise in the course of carrying on regulated activities with its clients.

After all appropriate steps have been taken, if arrangements made by the Firm are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a client will be prevented, the Firm must clearly disclose the nature or source of the conflict and the steps taken to mitigate the risks to the client before undertaking business for the client. As a U.S. Securities and Exchange Commission (“SEC”) Registered Investment Adviser, Troy is expected to include material conflicts within Part 2A of its Form ADV¹ and, where appropriate, fund disclosure documents.

2. What is a Conflict of Interest?

A conflict of interest is a situation which may arise where a person (“A”), having an obligation to act in the best interests of another (“B”), may be unfairly influenced or led to act in a way which may be detrimental to B, or advantageous to A.

A conflict can be either potential (a conflict which could occur, but the Firm has sufficient systems and controls in place to prevent it from occurring) or actual (a conflict which has been identified, but the Firm has implemented the necessary systems and controls to manage the conflict).

Within Troy’s business, there are three core types of conflicts that may arise:

- Between a Member of Staff and the Firm:

Where a Member of Staff is interested in a business other than Troy (for example as a Director/Trustee etc...) or holds an interest in a company with whom Troy has a business/contractual relationship.

- Between the Firm and its clients:

Where the Firm is likely to make a financial gain, or avoid a financial loss, at the expense of a client;

Where the Firm has an interest in the outcome of a service provided to a client or of a transaction carried out on behalf of a client;

The Firm carries out the same business as the client; or

¹ The Form ADV is the uniform form used by Registered Investment Advisers to register with the SEC. The form consists of two parts, both of which are available to the public on the SEC’s Investment Adviser Public Disclosure (IAPD) website.



The Firm receives an inducement from a third party in relation to the service it provides to a client.

- Between two (or more) clients of the Firm:

Where there is a financial, or other incentive to favour the interests of one client over another.

3. Identification of Conflicts

Each department within the Firm maintains conflicts of interest register which the head of department is responsible for. In preparing the register, consideration is given to the regular tasks which are carried out and whether there could be any conflict of interest identified in the task itself or the way in which the task is carried out. Compliance also maintains an overall conflicts of interest register.

Where a Member of Staff identifies a conflict of interest this must be reported to the relevant head of department and Compliance who will log the conflict and investigate. Any such investigation will include a review of the current systems and controls in place, and consideration of additional controls, to effectively manage the conflict of interest.

4. Conflict Prevention or Management

Where a potential conflict of interest is identified, the Firm will aim to implement systems and controls and organise its business activities in a manner that prevents the potential conflict from becoming an actual conflict. The Financial Conduct Authority ("FCA") and SEC recognise that financial services firms may not be able to prevent all types of conflicts of interest from occurring, however where a conflict cannot be prevented, it is important that it is managed appropriately.

A conflict is managed where a Firm has identified a conflict within the business and has implemented appropriate systems and controls.

Where a conflict is unavoidable, the Firm must be able to evidence that it:

- has identified the actual conflict; and
- has (or will have) the systems and controls put in place to manage such conflicts.

Such systems and controls shall be designed to create a segregation of duties, or oversight which will allow the relevant persons to carry on those activities with the level of independence required. The level of independence required will ultimately be decided by reference to the risk of damage to the interests of clients. Mechanisms for prevention or management may include:

- information barriers to prevent or control the exchange of information between Members of Staff engaged in activities involving a risk of conflict of interest where the exchange of that information may harm the interests of one or more clients;
- functional independence and separate supervision of relevant Members of Staff whose main functions involve carrying out activities or providing services for clients whose interests may conflict, or otherwise represent interests that may conflict;



- the application of a Remuneration Policy to relevant Members of Staff to stop incentives in the Firm which might give rise to conflicts of interest in relation to the activities or services provided by the relevant Members of Staff;
- the Firm's organisational structure, including the Board of Directors and Governance Committees, to prevent or limit any person from exercising inappropriate control or influence over Members of Staff which may impair the proper management of conflicts of interest;
- policies and procedures, for example, covering inducements (including gifts and entertainment/research and corporate access), personal account dealing, outside business interests, trade aggregation and allocation and voting/engagement.

An outline of the processes and procedures in place to prevent or manage a conflict of interest must be documented in the conflicts of interest register. This will enable Compliance to review the identified conflicts to ensure that the systems and controls in place remain sufficient.

5. Conflicts Disclosure

Where Troy cannot ensure, with reasonable confidence, that the systems and controls in place sufficiently manage the conflict so as to protect the best interests of the relevant clients, we must disclose to those relevant clients:

- the general nature or sources of conflicts of interest, or both; and
- the steps taken to mitigate those risks.

Disclosure will be a last resort having first taken all appropriate steps to prevent or manage the conflict.

When making a disclosure, Troy must provide sufficient information to its clients to allow them to make an informed decision with respect to the investment service and the context in which the conflict arises. The disclosure must:

- make clear to the client(s) that the communication is a disclosure of a conflict as required under the Firm's Conflicts of Interest Policy.
- inform the client(s) that the systems, controls and arrangements established by the Firm to prevent or manage that conflict are not considered by Troy to be sufficient in ensuring, with reasonable confidence, that the risks of damage to the interests of the client(s) will be prevented; and
- provide a description of the conflict which includes:
 - An explanation of the general nature and sources of the conflict; and
 - The risks to the client that arise as a result of the conflict;
 - The steps which have been taken by Troy to mitigate the risk.

After disclosure, all the controls detailed in the disclosure must be applied, in respect of that conflict, to ensure that the conflict is managed effectively.



6. Monitoring and Governance

The monitoring of conflicts of interest is carried out on a periodic basis by Compliance within its risk-based Compliance Monitoring Plan. This comprises of, amongst others, certain tests aimed at reviewing the Firm's performance in the management of conflicts that it has identified.

Findings from the monitoring, including the identification of any material conflicts or other issues are reported quarterly to the Executive Committee and the Board of Directors.

As part of the monitoring, on a quarterly basis, Compliance reviews the conflicts of interest register to consider whether there have been any changes, or any new conflicts identified. Compliance also meets with each head of department on an annual basis to review their departmental conflicts of interest register. The departmental conflicts of interest registers feed into the Firm's overall conflicts of interest register which is maintained by Compliance and records a risk rating for each identified conflict based on the risk of damage to the interests of clients. Annually, Compliance reviews the Firm's overall conflicts of interest register and produces a report on the review of the register for the Board of Directors, highlighting any new conflicts or material conflicts identified during the period.