

ADS Securities London Limited – Conflicts of Interest Policy

We, ADS Securities London Limited (“ADS”, “we”, “us”, “our”), are committed to acting honestly, fairly and professionally in the best interests of our clients. To that end, we have prepared this Conflicts of Interest Policy (this “Policy”) in accordance with the Financial Conduct Authority’s Senior Management Arrangements, Systems and Controls Sourcebook (“SYSC”) 10.1.11, to take all reasonable steps to detect and avoid conflicts of interest:

- (i) to identify by reference to the specific services and activities carried out by ADS, the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more clients; and
- (ii) to specify procedures to be followed and measures to be adopted in order to manage such conflicts.

ADS shall comply with the above requirements when providing investment services and other ancillary services related to such services.

ADS provides this Policy to all clients as part of our new client on-boarding process and this Policy is also available on our website: www.adsprime.co.uk. Each of ADS’ clients will be asked to consent to this Policy at part of our new client on-boarding process and each of our clients will not be able to trade with us until they have consented to this Policy.

If our clients have any questions concerning this Policy, including, without limitation, how ADS ensures compliance with this policy, they should contact us by phone on +44 203 771 5455 or email our Compliance Department at compliance@ads-securities.co.uk and we will endeavour to respond with a clear answer within a reasonable period of time.

1. Scope

1.1 This Policy applies to all ADS directors, officers, employees, any persons directly or indirectly linked to ADS (hereinafter referred to as “relevant persons”) and refers to all interactions with all clients.

1.2 The aim of the Policy is to identify and prevent conflicts of interest which may arise between ADS and its clients or between one client and another client and sets out procedures for the identification and management of conflicts of interest and how they are handled to ensure that there is no detriment to our clients.

2. Identification of Conflicts of Interest

2.1 For the purpose of identifying the types of conflict of interest that arise in the course of providing investment and ancillary services (or a combination thereof) and whose existence may entail a material risk of damage to the interests of a client, ADS takes into account whether ADS or a relevant person or a person directly or indirectly linked by control to ADS, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

- (i) ADS or a relevant person is likely to make a financial gain, or avoid a financial loss, at the expense of a client;
- (ii) ADS or a relevant person has an interest in the outcome of a service provided to a client or of a transaction carried out on behalf of a client, which is different from a client’s interest in that outcome;
- (iii) ADS or a relevant person has a financial or other incentive to favour the interest of another client or group of clients over the interests of a client;
- (iv) ADS or relevant person carries on the same business as a client; or
- (v) ADS or relevant person receives or will receive from a person other than a client an inducement (such as a commission or fee) in relation to a service provided to a client, other than the standard commission or fee for that service.

2.2. Examples of areas where potential conflicts of interest could arise include, but are not limited to, the following:

- **Inducements** – ADS could offer or receive inducements in respect of certain services, which could incentivise the recipients of the inducement to not act in the client’s best interests.
- **Information Flows** – ADS may have access to material non-public information through the ordinary course of their business activities that could be used to benefit ADS Securities LLC, employees or clients at the expense of other clients (e.g. ADS Securities LLC could use knowledge of client orders to front run proprietary trading activities).
- **Order Handling** – Client orders could be handled in a manner that may benefit ADS Securities LLC, employees or one client at the expense of other clients (e.g. the execution of proprietary orders could be given preference over client orders).
- **Outside Business Interests** – Employees could receive material non-public information through outside business interests, such as directorships, which they could use to gain an advantage or avoid a loss.
- **Payments to Introducing Brokers and Affiliates** – Where an IB or Affiliate attempts to create trading commissions, solely from their own trading, this will be prohibited. However, should the trading account be part of a larger number then this will be considered.
- **Remuneration** – Employees could be incentivised to encourage inappropriate trading which has no discernible benefit for clients (e.g. advising a client to churn their trades) in order to increase their commission.

Employees must alert the Compliance Department immediately if they become aware of any matter which suggests an actual or potential Conflict of Interest.

3. Managing Conflicts of Interest

ADS has implemented a number of conflicts management arrangements to help with the mitigation of conflicts of interest and its Compliance Department is responsible for identifying, preventing and managing potential conflicts of interest. These include, but are not limited to, the following:

3.1 Outside business interest

Before joining ADS, each employee must disclose all external business interests including:

- (i) directorships and details of companies in which the employee has an interest or holding;
- (ii) any personal relationship with employees of the firm;
- (iii) positions held as an officer of any organisation;
- (iv) beneficial interests under the terms of a trust, the trustee of which is a person connected to the employee; and
- (v) any business or employment activity that is in addition to the employee's principle employment with ADS.

Employees have an ongoing obligation to inform ADS' Compliance Department if they propose to become involved or accept an appointment in any of the activities described above.

3.2 Gifts and Inducement

The receipt and offering of gifts and entertainment/inducement can in some cases be considered to be inappropriate. ADS has established a Gifts and Entertainment Expenses Policy to manage and record any small gifts that employees may receive from other parties. Pursuant to this policy, all gifts made to or by an ADS employee, with an equivalent monetary value in excess of £100 must be approved by ADS' senior management and our Compliance Department prior to the giving of such a gift or as soon as possible after receiving such a gift.

Furthermore, in accordance to the ADS Gifts and Entertainment Expenses Policy, no employee may accept from, or give to, any person any gift or other benefit that cannot properly be regarded as justifiable in all circumstance.

3.3 Personal Account Dealing

Employees may only undertake personal investment activities that (i) do not breach applicable law or regulation, (ii) do not unduly distract from their employment responsibilities and (iii) do not create an unacceptable risk to ADS's reputation. Transactions should be free from business and ethical conflicts of interest.

ADS has a Personal Account Dealing policy to monitor any trading that staff may undertake on their own account. All personal account dealing activity requires approval by our Compliance Department prior to trading.

3.4 Ensuring Independence

The procedures and controls that ADS has in place regarding conflicts of interest include the following measures to ensure the requisite degree of independence:

- (i) effective procedures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;
- (ii) the separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the firm;
- (iii) the removal of any direct link between remuneration of ADS employees principally engaged in one activity and the remuneration of, or revenues generated by, different ADS employees principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- (iv) measures to prevent or limit any person from exercising inappropriate influence over the way in which an ADS employee carries out services or activities; and
- (v) measures to prevent or control the simultaneous or sequential involvement of ADS's employees in separate services or activities where such involvement may impair the proper management of conflicts of interest.

3.4 Best Execution Policy

ADS has established a Best Execution Policy that covers, amongst other things, procedures governing establishing client order priority to ensure as fair treatment as possible for clients to avoid a potential conflict of interest when processing clients' orders.

3.5 Close-Links Management

ADS has a Close Link to ADS Securities LLC and ADS Holdings LLC. Whilst they are affiliated entities, ADS has the following provisions in place in order to manage potential conflicts:

- (i) independent Board of Directors;
- (ii) independent employees;
- (iii) generally operating with ADS Securities LLC on an arm's length basis including, without limitation, ADS maintaining its own capital, premises, operating systems and governance; and

(iv) maintaining a Business Continuity Plan to enable ADS to continue to operate in the absence of ADS Securities LLC.

4. Declining to Act

It may be appropriate in certain circumstances, where ADS' policies do not allow it or its relevant persons to act in the best interests of the relevant clients, for ADS to decline to act for or on behalf of a client.

5. Disclosure

5.1 Where ADS's arrangements to prevent or manage conflicts are not, or cannot be sufficient to be reasonably confident that risks of damage to a client's interest will be prevented, we will disclose the general nature and/or sources of conflicts before carrying on business for a client and let the client know that there is risk of damage to the client's interests which we cannot prevent. Such disclosure is intended to allow a client to make an informed decision as to whether they wish to continue doing business with ADS in that particular situation.

5.2 For avoidance of doubt, it is general policy of ADS to disclose all potential conflicts to clients prior to conducting business with them even where such conflicts are fully managed so that we are confident that there is no risk of damage to client's interests. In particular, wherever relevant, the interactions between ADS and its relevant persons, including any significant personal relationships, will be made clear.

5.3 ADS has a Close Link to ADS Securities LLC and its sister company, ADS Holdings LLC, both of which are based in Abu Dhabi.

6. Role of Compliance Department

6.1 The Compliance Department is responsible for supporting senior management in its decision making process with regards to conflicts management and maintaining the register of outside business interests. Where appropriate, the Compliance Department ensures that any such conflicts are escalated to senior management and addressed in a timely fashion. If an actual or potential conflicts of interest arises, the Compliance Department will maintain a record of:

- (i) the facts involved in any conflict situation;
- (ii) the checks undertaken;
- (iii) compliance advice that was provided;
- (iv) decision taken; and
- (v) any amendments required to existing policies.

7. Senior Management Responsibility

7.1 The senior management of ADS has a significant responsibility with regard to conflicts identification and avoidance or management. Accordingly, senior management is required to be fully engaged in the identification and management of conflicts of interest. In particular, all senior managers are required to take steps to ensure that:

- (i) effective procedures are in place to identify any actual or potential conflicts at an early stage and before any commitment is given;
- (ii) there is appropriate segregation of duties and reporting lines;
- (iii) employees have clear understanding as to how different types of conflicts are to be managed, and these are supported by the appropriate internal policies and procedures;
- (iv) employees are aware of the types of conflicts that are unacceptable and fully understand when it is necessary to escalate a conflict to management for decision;
- (v) they receive a regular flow of information as to the extent and nature of conflict situations; and
- (vi) they review and regularly ensure that the policies to manage conflict are appropriate to the business being undertaken.

7.2 In order to assist senior management with identifying and managing conflicts of interest, ADS has in place a number of internal systems and controls for the governance and resolution of conflicts of interests which consist of the following:

- (i) a register of all actual and potential conflicts of interest maintained by the Compliance Department;
- (ii) controls to identify actual, potential or perceived conflicts of interest and checks conducted through its register of outside business interests;
- (iii) procedures to ensure that ADS employees engaged in business activities involving conflicts of interest carry on those activities at an appropriate level of independence;
- (iv) procedures to monitor the personal dealing of employees and connected persons; and
- (v) general disclosure of the possibility of material conflicts of interest to clients at an early stage after identification and the subsequent approval from the relevant client to proceed.

8. Record of Conflicts

8.1 The Compliance Department is responsible for keeping up to date records of service or activity carried out by or on behalf of ADS in which a conflict of interest entailing material risk of damage to the interest of one or more clients has arisen or, in the case of an

ongoing service or activity, may arise.

8.2 The Compliance Department is also responsible for keeping a record of the content and timing of instructions received from clients, along with a record of allocation decisions and the final allocation made to each client.

9. Review of this Policy

9.1 ADS will review this Policy at least on an annual basis.

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