Our Conflicts of Interest Policy

Our commitment to you

Introduction

St. James's Place plc and its subsidiaries ('SJP') advise clients on investments and all aspects of financial services. We offer investment advice, pension planning, mortgage guidance, income protection and financial advice on affording later-life care. We also provide investment management, dealing and custodian services.

Our range of services cover many aspects of your financial wellbeing. We never forget that you are placing your trust in us. It is very important therefore, that you know how we identify, and manage, any conflicts of interest in SJP.

We are a relationship business, committed to treating all clients fairly, in accordance with our own ethical standards. We require that all our employees, Partners, suppliers and subsidiaries subscribe to these same professional codes of conduct and standards, and are committed to identify, monitor and manage all actual and potential conflicts of interest.

In this document, we summarise our Conflicts of Interest Policy ("the Policy"). The Policy sits within our governance framework. It highlights roles and responsibilities, outlines key policy objectives, and provides guidance on identifying and disclosing potential or actual conflicts of interest.

The Policy is written in compliance with rules and guidance from our various regulatory bodies and is reviewed annually.

It's our professional responsibility and part of our duty of care to manage the conflict fairly for each client or group of clients.

What is a conflict of interest?

A conflict of interest is a situation where the objectivity, judgement or actions of our staff or someone connected to SJP, may be compromised by a competing interest which might adversely affect you, the client.

Conflicts of interest can arise between SJP and clients, or between clients themselves. It's our professional responsibility and part of our duty of care to manage the conflict fairly for each client or group of clients.

Identifying and recording conflicts

We'll always take the necessary steps to identify anything which could create an actual or potential conflict of interest. This means that we also implement and maintain those effective arrangements, to help prevent or manage any conflicts which might damage your interests or put them at risk.

Our conflicts of interest policies and processes monitor all parties who may have an interest. This includes our employees, fund managers, investment managers, Partners, service providers and, of course, you, the client.

We recognise that a conflict of interest could affect one or more of our clients adversely if it's not managed appropriately. So, we are committed to avoiding conflicts of interest where we can. Sometimes, however, this isn't possible – and in that case our employees and representatives are required to conduct themselves in a manner that complies with the controls we've put in place to mitigate the conflict of interest. As our client, it is of the highest importance to us that a conflict of interest doesn't prejudice your interests.

If we identify a conflict of interest that gives us cause to believe that we cannot be reasonably confident that we can protect your interests as we would wish to, we will write to you. It will be your decision, not ours, whether you wish to continue a business relationship with us, or whether you feel that the conflict of interest will jeopardise your own interests.

The written communication is to ensure that all parties are clear about the situation and can make an informed choice.

Training and awareness

We believe everyone has a part to play in managing conflicts of interest honestly, fairly, consistently, and transparently. So, we need to ensure that our employees are fully trained to identify and mitigate conflict.

Our employees are provided with training, tailored for specific teams, to make sure they understand how and why conflicts could arise, and that they can identify and adequately manage the situation. Employee groups have roles and responsibilities appropriate to their position.

This training is compulsory, and the e-learning module also acts as a reminder of responsibilities surrounding conflicts of interest. Employees are required to complete the e-learning module annually.

These are the core principles:

- Conflicts of interest should be avoided whenever possible; and
- When identified, employees have a duty to ensure the fair treatment of all the parties involved and make appropriate disclosures.

Conflicts of interest and financial services

Some conflicts of interest are inherent to wealth management and financial advice services. Others may arise through our general business activities or our corporate structure. We must be vigilant to both, identify AND record potential and actual conflicts identified in a register.

These are some examples of potential conflicts of interest:

- If someone makes a financial gain or avoids a financial loss at your expense.
- If someone has an interest in the outcome of a service provided to you, or a transaction carried out on your behalf, which isn't the same as your own interests.
- If someone accepts or provides gifts, hospitality, or an inducement (which could be money, goods or services) which could compromise the service we provide to you.
- If personal relationships exist, or employees hold other financial interests outside of SJP that may conflict with your interests or ours.
- If someone uses confidential client or business information in a way that could be detrimental to your interests.
- If there is an overlap of duties within business areas which leads to a conflict of interest between business areas and you the client.
- If the remuneration structure might encourage employees to do something which would be detrimental to your interests.

Within SJP, members of the senior management team are held accountable and often actively involved in determining how best to manage conflicts.

How we manage conflicts of interest

Whenever we identify a potential or actual conflict, it is reported and an appropriate plan for mitigating the conflict agreed. Within SJP, members of the senior management team are held accountable and often actively involved in determining how best to manage conflicts. We review these controls regularly to ensure they're fit for purpose.

These are some examples of conflicts – and how we can mitigate them.

Potential conflicts of interest	Our actions to manage or mitigate
Suitability Advice and recommendations provided to clients by employees or certain persons connected to SJP could be compromised by gifts, hospitality or other inducements.	In accordance with the rules of the Financial Conduct Authority and other relevant regulatory bodies we may not accept any fee, commission or other non-monetary benefit which is likely to conflict with the duty we owe to our clients. We may receive non-monetary benefits from third parties, but these should be modest in nature and/or designed to enhance the quality of our service to our clients. We have internal guidelines advising staff on how to deal with potential conflicts of interest such as: ◆ Gifts and hospitality ◆ Commissions from third parties ◆ Having power of authority over an account i.e. Trustee, Executor, Director, or Power of Attorney ◆ Outside business interests. Staff must obtain approval and a record of their actions is kept for transparency. In addition, our monitoring programmes ensure processes are consistently followed and advice is suitable. If necessary, we will disclose the amount of any benefit to clients.
Third Party Relationships A potential risk exists for the business strategies of third parties that we work with (including the allocation of staff and capital resources to best service clients) to conflict with client best interests, or our own interests.	We have robust due diligence and third-party selection processes to ensure that our clients' best interests are prioritised in our supplier selection process. For our core services and suppliers, we have put in place ongoing oversight and reporting against contractual Service Level Agreements. More specifically, for Investment Management third parties there are detailed investment guidelines in place. Performance and portfolios are subject to detailed ongoing scrutiny, both inhouse and by external independent consultants.
Remuneration Employee bonus and salary structures may incentivise employees to act inappropriately when managing client assets.	Our Staff Incentive Scheme is designed to correlate with the interests and financial wellbeing of our clients, so to discourage inappropriate behaviour or excessive trading. There is an overarching Remuneration Policy in place and the Scheme is overseen and monitored by the Remuneration Committee, which has representation from independent non-executive directors. The Committee has a responsibility to review the scheme regularly, to reward positive behaviours and to maintain a strong, appropriate conduct culture.

Case study

Stewardship

Stewardship means the careful, responsible management of something entrusted to one's care - in our case investments and funds under management. In recent years, we've improved the way we identify and manage stewardship conflicts of interest. For example, we increased our fund manager and third-party disclosure requirements, to become more explicit around disclosing potential conflicts of interest and actual instances of conflicts that arise. We have also become more efficient at escalating any conflicts to the appropriate SJP governance forums, such as our Investment and Risk Committees.

In the context of engagement and voting, we recognise that 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.

We seek to act in the interests of all our clients and request any fund manager who votes on our behalf to self-disclose any conflicts of interest to us on a monthly basis.

Roles and responsibilities

Our Chief Risk Officer is responsible for the Policy and framework for how we manage conflicts of interest.

Our Group and Local Boards: Responsible for approving the Policy and operational arrangements. The Chief Risk Officer assists the Board which is responsible for embedding an appropriate culture and acting consistently to deliver fair outcomes to clients.

Our Executive Board: Responsible for identifying and declaring any conflicts of interest in their business area, or for themselves. They must ensure that any conflicts are appropriately managed or disclosed.

Our Management Team: Responsible for ensuring the Policy is understood and implemented by everyone at SJP and its subsidiaries. They're also responsible for making sure that everyone understands conflict of interest issues, including how to identify and manage them. They must also ensure that everyone knows how to identify, report and mitigate new conflicts within their own teams.

Our employees and contractors: Anybody working for, or on behalf of, SJP must comply with the Policy, reporting any conflicts to their manager for onward reporting and escalation as necessary. An employee would be in breach of contract if they didn't follow the Policy. Failing to declare an interest will be regarded as misconduct and may lead to disciplinary action against the individual concerned.

Need more information?

If you have any further questions on the Policy or our handling of conflicts of interest, please get in touch with your SJP Partner or Investment Manager in the first instance. You can also contact the client liaison or support team for the SJP business you are affiliated with, which you'll find in our terms and conditions with you.

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