

Conflicts of Interest Policy

Introduction and Purpose

Kestrel Partners LLP ('Kestrel') is authorised and regulated by the FCA to provide regulated activities to its clients and investors.

When undertaking its services Kestrel must always acts in the clients' best interests and put their clients' interests ahead of its own. Acting for clients may create conflicts between the interests of Kestrel, its staff (being all individuals included on Kestrel's organisation chart) and its clients and investors or between the interests of different clients and investors.

FCA rules require Kestrel to manage conflicts of interest fairly, both between itself, including staff, and its clients and investors and between a client and another client and respective investors. The purpose of this policy is to outline the framework Kestrel has in place to identify, manage, monitor and review conflicts of interest.

Definition

An actual or potential conflict may arise when, in the exercise of its activities and services, the interests of Kestrel (including staff) and the interest of its clients and investors, are directly or indirectly in competition, and which could significantly prejudice the client's and investor's interests.

Application

This policy applies to Kestrel and all of its staff.

Policy

This section outlines Kestrel's policy for ensuring controls are in place to identify and manage conflicts of interest that may arise in carrying on its business to ensure that all of Kestrel's clients and investors are treated fairly.

Identifying Conflicts of Interest

Kestrel has procedures to identify situations in which activities carried out by it could constitute conflicts of interest and that could lead to potential risks of damage to its clients' and investors' interests. To identify them, Kestrel takes into account the activities it is authorised to carry out as well as those carried out on its behalf by delegates, sub-delegates, and service providers.

Kestrel takes all reasonable steps to identify conflicts of interest that arise in the course of its business between:

- Kestrel, including its staff, and the duty that Kestrel owes to its clients and investors;
- Two or more clients or investors.

For the purpose of identifying the types of conflicts of interest that arise in the course of providing its services, Kestrel takes into account whether it or its staff:





- Are likely to make a financial gain, or avoid a financial loss, at the expense of a client or investor;
- Have an interest in the outcome of a service or an activity provided to the client or investors which differs from the client's or investor's interest in that outcome;
- Have financial or other incentives to favour a client or group of clients or investors, over the interests of other clients or investors;
- Carry out the same activities for the client and for another client; or
- Receive an inducement from a third party in the form of monies, goods or services other than the standard fee for that service.

Overview of circumstances which may give rise to Conflicts

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

- **Inducements** - Kestrel, 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** - Kestrel may have access to material non-public information through the ordinary course of their business activities that could be used to benefit Kestrel, its staff or clients at the expense of other clients (e.g. staff 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 Kestrel, staff or a client at the expense of other clients (e.g. the execution of one client's orders could be given preference over another client's orders);
- **Personal Account (PA) Dealing** - Staff could deal on their own account to the disadvantage of clients (e.g. they could front run client orders with their own PA dealing activities);
- **Non-Executive Directorships of Investee Companies** – Kestrel staff hold non-Executive Directorships of companies that its clients are invested in for which Kestrel receives a fee. In general these directorships are held to ensure that the company acts in such a way as is favourable to the long term interest of our clients, however, directors of a company are required to act in the best interest of all of stakeholders, which may at times cause conflicts with our clients' interests;
- **Debt vs Equity holdings**: From time to time Kestrel holds debt and equity positions for our clients in the same investee company. In certain circumstances the interests and rights of the debt holders may conflict with the interests of the equity holders.
- **Different portfolio construction targets** – this may require some clients to sell and others to continue holding a particular position;
- **Outside Business Interests** – these interests may conflict with the interests of our clients or impact the time spent managing our clients' accounts;
- **Remuneration** - staff could be incentivised to encourage inappropriate trading which has no discernible benefit for clients;
- **Investment Research** - The production and/or distribution of investment research by Kestrel could be used to the advantage of Kestrel or some clients over other clients (e.g. the investment research could be used internally before being circulated to clients);
- **Side Letters** - Preferential terms to one investor over another;
- **Redemptions** - Conflicts of interest between investors redeeming whose interests are in short term performance vs remaining clients/investors whose interest are in long term performance e.g. whether to accept takeover deals; and/or





- **Supervision** - Failure to segregate, within its own operating environment, tasks and responsibilities which may be regarded as incompatible with each other or which may potentially generate systematic conflicts of interest.

Staff Duties and Responsibilities

All staff are responsible for ensuring that they are compliant with this policy which includes:

- Remaining vigilant to potential conflicts of interest arising;
- Identifying and notifying Compliance of potential or actual conflicts of interest;
- Adhering to operating policies and procedures (available on the GATEway) that relate to conflicts management such as: PA dealing; gifts and hospitality; outside business interests; inside information notification etc.; and
- Confirming compliance with relevant conflict policies through Kestrel's periodic affirmations.

Ownership and Implementation

The Chief Compliance Officer ('CCO') is the owner of this document and is responsible for its content and implementation, oversight of the application of the policy and assisting staff with the identification and management of conflicts of interest. Compliance will ensure that adherence to the policy is regularly tested and the policy updated promptly where necessary.

Monitoring and Management of Conflicts

Kestrel has put in place procedures to ensure that we can effectively identify and manage conflicts of interest where there is a material risk of damage or loss to one or more clients, these include:

- Client take-on procedures to obtain sufficient information in order to undertake the appropriate conflicts checks prior to formal engagement;
- Senior management are required to regularly consider whether all potential conflicts have been identified and where a conflict is identified ensure that either:
 - Any conflict of interest can be managed appropriately and that the conflict has been disclosed to the client; or
 - We decline to act for the client.
- Staff disclosure requirement regarding external business interests, personal account transactions and gifts.

Procedures

The following outlines the procedures to be followed and measures to be adopted in order to manage conflicts of interest.

Identification

Kestrel has client and investor take-on procedures which require the Investment Committee (IC) to consider and manage conflicts of interest at the beginning of the relationship. Kestrel has also implemented a process to ensure that the IC oversees the delivery of all activities, so that there are no additional conflicts between clients, investors and Kestrel.





Notification

If a staff member suspects that a conflict has occurred in relation to an ongoing client, they should notify Compliance immediately to ensure that potential and actual conflicts of interest can be identified and managed.

Identification of conflicts is the responsibility of all staff at Kestrel. All staff are made aware of their responsibilities to identify situations which give rise to a conflict or which might give rise to a conflict under Kestrel's conflict of interest policy.

In the event that a staff member is unsure as to whether a situation represents a potential conflict of interest or not, the staff member is required to raise the issue immediately with Compliance.

Assessment

Compliance, along with the relevant business owner, assess all conflicts of interest situations. Such assessment shall include (but not limited) assessing the following:

- Whether the situation represents an actual or potential conflict of interest;
- How the conflict of interest can be appropriately managed;
- The materiality of the conflict of interest;
- Whether the conflict of interest requires immediate notification to Senior Management for further assessment; and
- Whether it is necessary to disclose the conflict of interest to the clients to agree a course of action with the client(s) or resolve the conflict via another route.

Resolution

Kestrel takes the necessary actions to resolve and manage actual or potential conflicts of interest. This may include (but is not limited to):

- Managing the situation so as to prevent the conflict of interest arising;
- Managing the situation so as to ensure the interests of Kestrel or its staff are not permitted to disadvantage or lead to a loss for the client(s);
- Notifying the conflict of interest to the client(s) so that either a satisfactory course of action may be decided upon or the client may elect not to use the service insofar as there is a conflict.

Reporting/Record Keeping

Compliance maintains a Conflicts of Interest Register of all circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of clients.

The Conflicts of Interest Register is used to summarise potential or actual conflicts of interest which may arise or have arisen and the controls, persons involved, owner, policies and procedures in place to manage these conflicts – including client disclosures and subsequent instructions.

Management Board Review

Compliance will provide the Management Board on a frequent basis, and at least annually, written reports on any conflicts of interest / potential conflicts of interest that may arise





including details of the situation giving rise to the conflict or potential conflict, the assessment analysis and the measures taken to mitigate the conflicts.

Periodically (no less than annually) the Management Board shall analyse the conflicts that have arisen as well as potential conflicts of interest and review the systems and controls that are in place for preventing and mitigating the conflicts of interest in order to ensure that they continue to be effective and relevant for dealing with conflicts of interest situations.

Compliance Monitoring

Compliance periodically reviews that the policy and procedure outlined above is being adhered to through a periodic compliance monitoring test and file review.

This policy was reviewed and approved by the Management Board on 13 October 2025.

