

Octopus Investments Ltd

Conflicts of interest policy

In accordance with the Senior Management Arrangements, Systems and Controls (“SYSC”) Handbook of the FSA rules, we are required to establish, implement and maintain an effective conflicts of interest policy that encompasses the activities of Octopus Investments Ltd (“Octopus”). A conflict of interest is a situation in which someone in a position of trust has competing professional or personal interests. Such competing interests can make it difficult to fulfil his duties impartially. A conflict of interest may exist even if no unethical or improper act results from it. The conflict of interest policy should be relevant to the size and complexity of the firm. This policy details the material conflicts that have been identified and the procedures and measures adopted to manage these conflicts.

In the context of the FSA rules, conflicts of interest are those that arise between:

- the firm and a client; or
- a client and another client

when the firm is carrying on regulated activities or ancillary services.

The main business of Octopus is to provide investment management services to a range of funds and listed entities including OEICs and VCTs and to manage discretionary portfolios of assets for private investors. Octopus does not offer any of the following services or activities:-

- Market making
- Investment research
- Proprietary trading
- Corporate finance

Therefore, Octopus does not have the potential conflicts of interest that arise from such services and activities.

The types of conflicts of interest which are outlined in SYSC are:

- Will the firm make a financial gain, or avoid a financial loss, at the expense of the client?
- Will the firm have an interest in the outcome of a service provided to the client, or a transaction carried out on behalf of the client, which is distinct from the client’s interests in that outcome?
- Will the firm have a financial or other incentive to favour the interest of another client or group of clients over the interests of the client?
- Will the firm carry on the same business as the client?
- Will the firm receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services?

Octopus is committed to identifying, monitoring and managing all actual and potential conflicts of interest that can arise between us and our clients and between clients in all areas of our business.

Set out below is a summary of the principal conflicts that we have identified and the steps that we take to mitigate them. If you have any questions on this policy, please raise them with the Compliance Officer.

Personal account dealing

Octopus staff may undertake personal account dealing. Personal account dealing rules are in place and employment terms and conditions require adherence to this. These rules are designed to prevent front-running, insider trading or other means by which the firms' employees may benefit at the expense of other clients. The Compliance Officer monitors adherence to this policy.

Gifts

On occasion, investment managers and other Octopus staff may give or receive gifts. In order to prevent this from influencing the behaviour of the employee at the expense of the clients or the firm, a gifts policy is in place. All staff are required to adhere to this policy and a gifts log is maintained. This is reviewed periodically by the Compliance Officer.

Suitability

Where we use our discretion to make investment decisions, we are required to ensure that our actions are suitable for our clients. However, we may have an interest, relationship or arrangement that is material to the transaction concerned. This could include a situation where our employees may have an interest or relationship with the company or could act as a director of a company. We require our employees to declare any such interests to us. To manage such conflicts, we require our employees to comply with an independence policy obliging them to disregard the interest, relationship or arrangement concerned when making investment decisions on your behalf.

Aggregation and allocation

We may combine ("aggregate") a transaction for you with transactions being carried out for other clients. The effect of aggregation may on some occasions work to your disadvantage.

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