

## Our approach to Conduct Risk

Cornelian Asset Managers (CAM) believes that dealing fairly with investors and clients ('customers') and promoting overall market integrity is at the heart of maintaining, developing and sustaining the success of our investment management business to the ongoing benefit of all our stakeholders including present and future customers, employees, shareholders and the market as a whole. Such fair dealing is aligned with both the spirit and letter of the FCA Principles for Business and Code of Conduct.

In our dealings with customers, we will fully observe all legal and regulatory requirements and meet the standards set by voluntary codes of practice to which we adhere.

When applying the concept of conduct risk to our investment management business, the following points are relevant:

- 1.** We will aim to design products and services ('products') to meet the needs of identified classes or groups of customers and describe the factors which may influence the extent to which the products will deliver the outcome originally anticipated.
- 2.** We will undertake a rigorous assessment of our customers' needs, including their objectives and risk preferences to ensure that any product or service is appropriate and suitable for them.
- 3.** We appreciate that financial service products are complex and often difficult to understand. We will endeavour to minimise the impact of this on our customers by clarity of communication and information supplied before the contract is effected and at reasonable periods through the product cycle. We will work with IFAs and other intermediaries with a view to achieving a clear understanding on their part of the nature of our products and the purposes for which they may be suitable. Without undermining the primary role of the IFA or intermediary or assuming responsibility for investment advice provided to our mutual customers, we will work with our IFAs and intermediaries to improve the clarity and usefulness of regular statements or other communications in the course of the life cycle of our products. This should facilitate understanding of how our products are performing and enable customers to assess whether and to what extent their original objectives are being met.
- 4.** Our approach to ongoing product pricing and charges will recognise and balance the commercial interests of CAM with a reasonable and fair deal for our customers. Charges will be transparent and fairly described and disclosed in sales, marketing and product literature.
- 5.** We will aim at all times to achieve the level of competence, diligence and customer service in respect of our products which our customers might reasonably expect from our marketing and sales processes and which will be at least equivalent to industry standards for similar priced and targeted products.
- 6.** We will deal honestly and openly with customers enquiries and complaints and endeavour to approach differences of view or opinion (including the interpretation of contractual or policy conditions) in a balanced, even handed and reasonable manner, in such dealings with our customers we will aim, at all times, to display integrity and act in good faith.
- 7.** We will aim to treat customers in a similar position consistently so far as this is reasonable in all the circumstances. We will recognise, however, that the current suite of products (and future products) has evolved (and will evolve) over time and that differing charges, approaches and contractual terms and standards exist and will continue based on circumstances and practices considered appropriate at the time of sale.
- 8.** We will develop and maintain reporting and other processes designed to give reasonable assurance that:
  - i) we are and will continue to observe the standards of fairness and fair dealings set out in this statement; and
  - ii) that these standards are embedded and reflected in the way we do business.

9. In order to minimise any adverse impact on market integrity or the delivery of poor or unfair outcomes for our customers, we will ensure the following:
- i) Prudent financial management including a rigorous ICAAP review process;
  - ii) Appropriate control procedures to safeguard against fraud or business risk;
  - iii) Adherence to CASS rules including monitoring and oversight of our Custodians;
  - iv) Rigorous procedures to identify and mitigate financial crime including money laundering, insider dealing and market abuse; and
  - v) Effective policies to manage conflicts of interest including anti bribery and corruption and inducements.
10. We monitor the effectiveness of Conduct Risk within our business by:
- i) ensuring our staff are kept up to date with relevant training in relation to competence, data protection and others matters directly affecting the quality of service offered to our customers;
  - ii) providing regular training in conduct risk and the principles of TCF at all levels of our business; and
  - iii) regularly monitoring reports concerning all conduct risk activities from monthly statistics/management information, in order to assess conduct risk performance across the business and recommend/implement changes where appropriate.

**Jeremy F. Richardson, Chartered FCSI**  
CHIEF EXECUTIVE OFFICER

Approved by the Board on 4 August 2017.