

**Summary
of
Conflicts of Interest Policy**

SUMMARY OF CONFLICTS OF INTEREST POLICY

Introduction

XS Capital Securities and Financial Services Ltd (hereinafter called the “Company”) is an Investment Firm regulated by the Cyprus Securities and Exchange Commission (license number 061/05)

Following the implementation of the Markets in Financial Instruments Directive (MiFID) in the European Union and in accordance with the Investment Services and Activities and Regulated Markets Law of 2007 (Law 144(I)/2007) in Cyprus, the Company is required to provide its clients and potential clients with a summary of its Conflicts of Interest Policy (hereinafter the “Policy”).

Under the above legislation, the Company is required to take all reasonable steps to detect and avoid conflicts of interest. The Company is committed to act honestly, fairly and professionally and in the best interests of its clients and to comply, in particular, with the principles set out in the above legislation when providing investment services and other ancillary services related to such services.

We provide here a summary of the policy we maintain in order to manage conflicts of interest in respect of the duties we owe to our clients. The Policy is effective from 1st November 2007.

This Policy is not intended to, and does not, create third party rights or duties that would not already exist if the Policy had not been made available, nor does it form part of any contract between the Company and any client.

Purpose

The purpose this summary document is to set out the Company’s approach to identifying and managing conflicts of interest which may arise during the course of its business activities. The Policy applies to all its directors, employees, any persons directly or indirectly linked to the Company (hereinafter called “related persons”) and refers to all interactions with all clients.

The aim of our Policy is to identify and prevent conflicts of interest which may arise between the Company and its clients or between one client and another. Accordingly, we have adopted a conflicts of interest policy setting out the procedures, practices and controls in place to achieve this.

Identification of Conflicts of Interest

For the purposes 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 damage the interests of a client, the Company takes into account, whether the Company or a relevant person, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

- a) The Company or relevant person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;

- b) The Company or relevant person has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- c) The Company or relevant person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- d) The Company or relevant person carries on the same business as the client;
- e) The Company or relevant person receives or will 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, other than the standard commission or fee for that service.

Managing Conflicts of Interests

The Company has set up internal policies and the compliance officer is responsible for identifying and managing potential conflicts of interests. The above will also update the relevant internal procedures and ensure compliance with such procedures.

The Company maintains and operates effective organisational and administrative procedures to manage the identified conflicts of interest. The Company also undertakes ongoing monitoring of business activities to ensure that internal controls are appropriate.

In general, the procedures and controls that the Company follows regarding conflicts of interest include the following measures:

1. 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;
2. 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 Company;
3. The removal of any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
4. Measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out investment or ancillary services or activities;
5. Measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.

Some of these policies and procedures established to prevent Conflicts of Interests are shown below:

1. A 'need to know' policy governing the dissemination of confidential or inside information within the company;
2. Chinese walls restricting the flow of confidential and inside information within our company, and separation of departments;

3. Procedures governing access to electronic data;
4. Segregation of duties that may give rise to conflicts of interest if carried on by the same individual;
5. Personal account dealing requirements applicable to relevant persons in relation to their own investments;
6. A gifts and inducements log registering the solicitation, offer or receipt of certain benefits;
7. The prohibition of external business interests conflicting with our interests as far as the company's officers and employees are concerned, unless board approval is provided;
8. A policy designed to limit the conflict of interest arising from the giving and receiving of inducements.
9. Monitoring and reporting on the above to the Company's Board of Directors;
10. Appointment of Internal auditor to ensure that appropriate systems and controls are maintained and report to the Company's Board of Directors;
11. Establishment of the four-eyes principle in supervising the Company's activities.

Disclosure

Where a conflict arises the Company will, if its aware of it, disclose it to a client prior to undertaking investment business for that client or, if it does not believe that disclosure is appropriate to manage the conflict, we may choose not to proceed with the transaction or matter giving rise to the conflict.

The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate. Further information about this summary document is available upon request.

Should you have a question about conflicts of interest please direct your questions to our Compliance Officer at panastasiou@xscapital.com.cy.