

GREEN STREET ADVISORS (UK)

Conflicts of Interest Policy

Annual review November 2010

Identifying and Managing conflicts of Interest

In accordance with its obligations under the FSA Rules Green Street must ensure that its clients are properly treated where there are or could be conflicts of interest.

What conflicts of interest could arise?

The nature of the financial services market is such that conflicts of interest can sometimes develop. Generally, a conflict of interest arises where the interests of the financial services company and its associates are different from its client or clients. For example, where Green Street discharges its duty to one client it might create a conflict with another client.

Potential conflicts of interest that could arise are:

1. **Research / Advisory Services**
 - (a) Where Green Street or a member of staff has an interest in any investment which is the subject of a Green Street research report.
 - (b) Where Green Street or a staff member is offered a benefit (whether financial or non-financial) from any company in respect of which Green Street is to issue a research report.
2. **Dealing Services**
 - (a) The receipt of commission by Green Street from third parties in return for Green Street executing deals in that third party's securities, or using the third party's execution venue.

How are conflicts managed?

In this Conflicts of Interest Policy Green Street has identified the types of conflicts it faces and the controls it operates in order to mitigate those conflicts. Green Street will manage conflicts in accordance with the following procedures:

1. **Research / Advisory Services**
 - (a) The client's account manager must, as part of the client take-on process, conduct a review of the client's investment objectives in order to identify any potential conflicts with the interests of Green Street or any member of the Green Street group. Any potential conflicts must be notified to the Compliance Officer, who will determine whether there is an actual conflict, and whether (and in what circumstances) it is appropriate to continue to act for the client.

- (b) Given other controls in place it is not necessary for each research report to be submitted to the Compliance Officer prior to dissemination for confirmation no conflicts of interest exist. It is, however, incumbent on all members of staff to make the Compliance Officer aware of any potential conflicts they become aware of. In the event that any such interest is present, this should be fully and prominently disclosed to all clients who receive the research report.
- (c) All members of staff involved in the production or dissemination of research reports are prohibited from accepting any benefits (including without limitation any gifts, fees, training or other financial or non-financial benefit) from the subject of any research report, or any entity or individual connected with the subject of a research report without first notifying the Compliance Officer. The Compliance Officer must ensure that no research report is issued where a member of staff involved in its production has received such a benefit unless he is satisfied that no actual conflict of interest has or is likely to arise as a consequence of the receipt of such benefit. The Compliance Officer must also ensure that the involvement of the member of staff in the production of the research report is appropriately monitored.
- (d) All research reports must be prepared in accordance with the requirements set out in the Green Street Compliance Manual.

2. **Dealing Services**

- (a) All members of staff involved in the execution of client orders are prohibited from accepting any benefits (including without limitation any gifts, fees, training or other financial or non-financial benefit) from the operator of any execution venue, or any entity or individual connected with any execution venue without first notifying the Compliance Officer. The Compliance Officer must ensure that no such individual shall execute a client order on behalf of a client if he considers that any actual conflict of interest has, or is likely to arise as a consequence of the receipt of such benefit. The Compliance Officer must also ensure that the involvement of the member of staff in the execution of any client order is appropriately monitored in order to ensure that the firm's obligations to achieve "best execution" are met.
- (b) All client orders should be executed in accordance with the rules regarding best execution, client order handling and client order limits, as set out in the Green Street Compliance Manual. These rules are designed to ensure client orders are executed in a manner consistent with our published Execution Policy (see European Trade Execution Policy).

This policy is reviewed regularly to ensure the record of conflicts is up to date and relevant and the appropriate mitigating controls are in place. The review is reported to the Green Street Board and senior management in quarterly Board Meetings.

Other Related Policies

Green Street also has specific policies and procedures on the following issues which are related to the management of conflicts. All staff are required to comply with these policies and procedures.

(a) **Personal Account Dealing**

The Green Street Compliance Manual sets out the firm's restrictions against personal account dealing.

(b) **Independence Policy**

The Green Street Compliance Manual sets out the firm's independence policy.

(c) **Gifts, Benefits and Inducements Policy**

The Green Street Policies and Procedures Manual sets out the firm's restrictions on receiving or giving gifts, benefits or inducements in accordance with the Bribery Act 2010.

(d) **Group Level Procedures**

The Green Street group maintains conflict policies that apply to all members of the Green Street group. In addition to the procedures set out above, employees of Green Street should also have regard to the following:

- (i) Employees of the Green Street group are prohibited from conducting any securities transactions in real estate securities without the prior knowledge of Green Street.
- (ii) Employees must additionally disclose:
 - (1) If the research analyst or a member of the research analyst's household has a financial interest in the securities of the subject company, and the nature of the financial interest (including, without limitation, whether it consists of any employment, contract, option, right, warrant, future, or long or short position);
 - (2) If, as of the end of the month immediately preceding the date of publication of the research report or the public appearance (or the end of the second most recent month if the publication date is less than 10 calendar days after the end of the most recent month), the firm or its affiliates beneficially own 1% or more of any class of common equity securities of the subject company. Computation of beneficial ownership of securities must be based upon the same standards used to compute ownership for purposes of the reporting requirements under Section 13(d) of the Securities Exchange Act of 1934; and

- (3) Any other actual, material conflict of interest of the research analyst or member of which the research analyst knows or has reason to know at the time of publication of the research report or at the time of the public appearance.
- (iii) Green Street employees must report all gifts received from a client to the Compliance Officer. A record will be maintained of all gifts received containing the name of the employee, client, date and approximate value.

Affiliate Disclosures

Green Street does not directly engage in investment banking, underwriting or advisory work with any of the companies in our coverage universe. However, the following are potential conflicts regarding our affiliates that should be considered.

1. Green Street is affiliated with Eastdil Secured, a real estate brokerage and investment bank that sometimes engages in investment banking work with companies in Green Street's coverage universe. Green Street does not control, have ownership in, or make any business or investment decisions for, Eastdil Secured.
2. Green Street has an advisory practice servicing investors seeking to acquire interests in publicly-traded companies. Green Street may provide such valuation services to prospective acquirers of companies which are the subject(s) of Green Street's research reports. Green Street may receive fees that are contingent upon the successful completion of a transaction or other fees for its work on behalf of prospective acquirers.
3. An affiliate of Green Street is the investment manager of an equity securities portfolio on behalf of a single client. The portfolio contains securities of issuers covered by Green Street's research department. The affiliate is located in a separate office, employs an investment strategy based on Green Street's published research, and does not trade with Green Street's trading desk.