

Conflict of Interest

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Under FCA's Principle for Business, Principle 8 (Conflicts of interest) we are required to pay due regard to the interests of each client and to manage any conflicts of interest fairly, both between our firm and our clients and between a client and another client. The specific rules for dealing with conflicts of interest can be found under the Senior Management Systems and Controls (SYSC) rules which can be found at SYSC 10.

MASECO is required to take all sufficient steps with regards to prevention, identification and mitigation of Conflicts of Interest. Where we are unable to prevent or adequately manage a Conflict of Interest we will disclose this existence of such a conflict and may discuss with you how we intend to continue to manage your account both on an ongoing basis and throughout the account opening process

Purpose of the Conflicts of Interest Policy

- a. To prevent and identify any potential circumstance which may give rise to conflicts of interest, and which pose a material risk of damage to clients' interests;
- b. To establish appropriate mechanisms and systems to manage those conflicts; and
- c. To maintain systems in an effort to prevent actual damage to clients' interests through the identified conflicts;

The Managing Partners fully support this initiative and are committed to ensure that all conflicts between MASECO and our clients, and between clients, are managed fairly with no party disadvantaged. In addition to complying with the FCA requirements we recognise that handling conflicts fairly is a fundamental element of good business practice and is required to assist in maintaining and developing MASECO'S business.

What is a Conflict of Interest?

Conflicts of Interest appear in situations where MASECO:

- a. Is likely to make a financial gain, or avoid a financial loss, at the expense of any other relationship we may have;
- b. Has an interest in the outcome of a service provided to a client or of a transaction carried out on behalf of a client, which is distinct from the client's interest in that outcome;
- c. Has a financial or other incentive to favour the interest of another client or group of clients over the interests of a client;
- d. Carries on the same business as a client; or

- e. Receives or will receive from a person other than a 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 as allowable under our regulatory license(s).

Conflicts of interest may therefore include but are not restricted to interests between:

- MASECO and our clients
- Our staff and our clients
- Two or more different clients
- Thirds parties and our clients
- New services/products and our clients
- Strategic changes and our clients

We have sought to identify conflicts of interest that exist in our business and have put in place measures we consider appropriate to the relevant conflict in an effort to monitor, manage and control the potential impact of those conflicts on our clients.

Managing & Disclosing Conflicts

The measures for dealing with conflicts are designed to ensure that relevant persons engaged in different business activities involving a conflict of interest carry on those activities at a level of independence, appropriate to the size and activities of MASECO and to the materiality of the risk of damage to the interests of clients.

Examples of procedures for managing conflicts include:

- 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;
- 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 MASECO;
- We also manage conflicts of interest by the establishment and maintenance of internal arrangements restricting the movement of information within MASECO. This requires information held by a person in the course of carrying on one part of our business to be withheld from, or not to be used by, persons with or for whom we act in the course of carrying on another part of our business.

Such an arrangement is referred to as a 'Chinese Wall' and represents both an ethical and hierarchical separation and physical barriers between the activities likely to involve conflicts of interest, thereby aiming to prevent any undue transmission of information. Such examples of this will include information between your Advisers, information between different operational areas of the MASECO business and information between the management team and employees of MASECO.

- Employee training and Attestation processes
- Governance Committee disclosure and review
- Potential conflicts are considered throughout our service proposition lifecycle covering current and new clients, services, potential business relationships and portfolio construction
- Remuneration of key individuals so as not to incentivise poor culture, poor sales practises and to ensure we act in the best interests of clients at all times

Where, despite the above procedures we identify or fail to prevent a conflict of interest which may present damage to the interests of a client, we will clearly disclose to the general nature and/or sources of the potential conflicts to the client before undertaking business with the client.

This disclosure will take place as follows:

- Our internal compliance department will be advised of the potential conflict of interest in writing;
- We will advise our client in writing, of the potential conflict of interest and ask them to provide their written consent to proceed;
- The client's written consent along with the request will be passed to our compliance department which can then provide approval to proceed as appropriate;
- Copies of both letters, together with the written authorisation to proceed, where applicable, will be retained on the client file.

