

Thurlestone Financial Ltd

Conflicts of Interest Policy

1. Introduction to Conflict of Interest

It is important to identify and manage conflicts of interest which arise or may arise in the course of providing a service. A conflict of interest may arise where a company or an employee who, owing a duty to a client, may have personal or professional interests which compete with this duty and may entail a risk of material damage to client's interests. A situation may be a conflict of interest even if no improper act or disadvantage to the client arises from it.

Thurlestone Financial Limited ("the firm") should be committed to identifying, monitoring and managing all actual and potential conflicts of interest that can arise between the firm's clients and between the firm's clients and the firm.

The purpose of this Policy is to identify and summarise those conflicts which the firm may experience as an organisation and how it can address the challenges that such conflicts create. It also provides the firm's clients with appropriate information relating to the policies the firm has in place to identify and manage conflicts of interest.

2. Regulation

This Policy is designed to fulfil the firm's obligations under SYSC 10, COBS 12 and Principle for Business 8 of the FCA Handbook, the first two of which implemented the Markets in Financial Instruments Directive ("MiFID"). This policy should ensure that procedures are in place to identify, monitor and handle all potential and actual conflicts so that these are not to the detriment of the client.

Conflicts of interest are defined in the context of FCA rules as any conflicts which arise between:

- The firm and a client; or
- A client and another client

When the firm is carrying out activities which are regulated by the FCA or ancillary services.

The types of conflicts envisaged by the FCA may include situations where the firm:

- Stands to make a financial gain, or avoid a loss, at the expense of the client;
- Has an interest in the outcome of a service provided to the client, or a transaction carried out on their behalf, which is materially different from the interest of that client;
- Has financial or other incentive to favour the interests of another client or group of clients over that client;
- Carries on the same business as the client; or
- Is likely to receive from a person other than the client an inducement, whatever the form, relating to the service provided to the client other than standard fees or commission for that service.

MiFID II requirements

- **Article 23 of the MiFID II Directive addresses conflicts of interest. The main change from MiFID 1 is that investment firms must take all appropriate steps to identify and prevent conflicts of interest in relation to receipt of inducements from third parties or by the firm's own remuneration and other incentive structures.**

12 Finsbury Square, London, EC2A 1AS Tel: 020 3985 4646

Registered Office Address: 30 City Road, London, United Kingdom, EC1Y 2AB
Company Reg No. 11800325

Authorised and Regulated by the Financial Conduct Authority with FRN No 838439

Thurlestone Financial Ltd

- **SYSC 10 requires firms to have in place “appropriate” rather than “reasonable” steps to identify and manage conflicts – this has increased the burden on firms in this area.**
- **MiFID II bans independent advisers and portfolio managers from receiving any (non-minor) monetary or non-monetary benefits from third parties when dealing with retail and professional clients.**

3. Identification of conflicts of interest

For the purposes of identifying the types of conflict of interest that may 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 firm takes into account any of the following situations, whether they are as a result of providing investment or ancillary services or investment activities or otherwise:

- The firm or relevant person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- The firm 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 a client which is distinct from the client’s interest in that outcome;
- The firm or relevant person has a financial or other incentive to favour the interest of another client or group of clients over the interest of the said client;
- The firm or relevant person carries on in same business as the client;
- The firm or relevant person receives or will receive from another other than the client, an inducement in relation to a service provided to the client in the form of a financial gain, goods or services – other than the standard fee or commission for that service.

Material Conflict	Nature of conflict and measures
Personal Account Dealing (please see the separate Personal Account Dealing policy)	The risk arising is that staff who are party to privileged information concerning investments with which we deal may trade on information which is unknown to the client for personal gain. <i>The firm has a restricted investor list to counter this and a policy whereby staff members are only able to invest after the investment has been made available to the general public. In addition, all personal investments must be approved by David Green / Ashley Westen or immediate deputy prior to their taking place.</i>
Gifts (please see the separate Gift policy)	This covers the risk that any gifts or hospitality provided by a third party may materially influence a recommendation provided to the client.
Inducements (please see the separate Inducement policy)	This covers the risk of material inducements being given or offered which may conflict with a duty of care owing to a client.
Remuneration (covered within the Gift policy)	This deals with the risk that remuneration policy may encourage staff to take account of their own earnings from a potential transaction rather than the best interests of the client. The firm should put in place a policy whereby all staff receive the same level of commission regardless of the project the client invests in. All staff are aware of their obligations to act in the client’s best regardless of personal benefit.

4. Managing and Recording Conflicts of Interest

The firm should set up internal policies and is also responsible for identification and managing of potential conflicts of interest and will ensure compliance with such procedures. Such procedures and controls that the firm follows regarding conflicts of interest are as follows:

12 Finsbury Square, London, EC2A 1AS Tel: 020 3985 4646

Registered Office Address: 30 City Road, London, United Kingdom, EC1Y 2AB

Company Reg No. 11800325

Authorised and Regulated by the Financial Conduct Authority with FRN No 838439

Thurlestone Financial Ltd

- effective procedures to prevent or control the exchange of information between the relevant persons where the exchange of such information may harm the interests of one or more clients
- separate supervision of relevant persons whose principal functions involve carrying out such 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/firm
- 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 may arise in relation to those activities
- 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 and/or activities
- 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
- segregation of duties that could give rise to conflicts if carried out by the same individual
- to monitor and report on all compliance procedures above to the Board of Directors
- establishment of a “four-eyes principle” in relation to the supervision of the firm’s activities

Accordance with SYSC, the firm annually carries out a review and maintains a record of the types of activity carried out from which a conflict of interest may arise.

If it appears for any reason that the conflict cannot be reasonably managed so as not to prejudice the best interests of the client, this will be disclosed.

To prevent conflicts of interest, the firm has the following policies in place:

- **Personal Account Dealing Policy** setting out personal account dealing requirements applicable to relevant persons in relation to their own investments and/or that any personal dealing must be approved by David Green / Ashley Westen prior to taking place.
- **Privacy Policy** governing access to electronic data.
- **Chinese walls** restricting the flow of confidential & inside information within the firm and departments.
- **Gifts and Benefits Policy** managing the registration of the solicitation, offer or receipt of certain benefits and to limit the giving or receiving of inducements.

5. Record Keeping

The firm should maintain a record of all activities where a conflict of interest has arisen or may arise.

6. Training and Review

All firm employees will be given training on how to be aware of conflicts of interest and how to report any new or future conflicts.

7. Failure to Comply

Failure to comply with this Policy and procedures outlined above may result in disciplinary procedures being invoked.

8. Amendments to the policy

We annually review this Policy and should any amendments be made which may materially affect the way in which the firm would handle a conflict of interest on behalf of a client, the client shall be notified in writing of the nature of the changes. The client will also be provided, on request, with an up-to-date copy of the conflicts of interest policy statement.

The responsibilities contained within this document will be reviewed on an annual basis by David Green and any changes made if appropriate.

12 Finsbury Square, London, EC2A 1AS Tel: 020 3985 4646

Registered Office Address: 30 City Road, London, United Kingdom, EC1Y 2AB

Company Reg No. 11800325

Authorised and Regulated by the Financial Conduct Authority with FRN No 838439