

**Olivetree Financial**  
**Conflict of Interest Procedures and Policy**  
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**Contents**

1.	Introduction .....	3
2.	Conflicts of interest policy.....	3
3.	Identifying conflicts of interest .....	3
4.	Managing conflicts of interest.....	4
5.	Disclosure as a method of managing conflicts .....	5
6.	Recording conflicts of interest.....	5
7.	Monitoring conflicts of interest .....	5
	Annex A - Conflicts of Interest Policy.....	6
	Annex B - Conflicts of Interest Register .....	9
	Annex C - Summary of our Conflicts of Interest Policy .....	11

## 1. Introduction

The Financial Conduct Authority (“FCA”) requires us as a firm, which provides investment services to its clients, to identify, manage, record and monitor conflicts of interest. These procedures are owned by the Chief Legal and Compliance Officer and have been approved by the Board of Directors of Olivetree Financial Limited.

These procedures apply to all activities undertaken by us in the United Kingdom. You should familiarise yourselves with these procedures, and also with our Staff Dealing procedures which set out how we manage certain conflicts of interest.

## 2. Conflicts of interest policy

The FCA requires us to have in place a written policy setting out how we comply with the requirements regarding conflicts of interest. Our policy is a high level overview of the approach that we adopt in relation to the identification and management of conflicts of interest, as set out in detail in these procedures. The policy is set out in Annex A of these procedures and a summary of our conflicts of interest policy is set out at Annex C which can be provided to clients and third parties if they request a copy of it.

## 3. Identifying conflicts of interest

We must take all reasonable steps to identify conflicts of interest which may arise when we provide investment services to our clients.

### What is a conflict of interest?

Conflicts of interest arise where there is a mismatch of interests between:

- our own interests and those of a client;
- one client and another; or
- a Director or employee and a client and may arise at the start of a relationship or at any time during the relationship.

The FCA requires us when identifying conflicts to take the following into consideration, as a minimum:

- if we are likely to make a financial gain or avoid a financial loss at the expense of a client;
- if we have an interest in the outcome of a service which is distinct from the client’s interest in that outcome;
- if we have a financial or other incentive to favour the interest of one client over another client;
- if we carry out the same business as a client;
- if in relation to a service provided to a client we will receive from someone other than the client an inducement (other than the standard commission or fee for that service).

## **Process of identifying conflicts of interest**

With reference to the criteria set out in Section 3 above, the Board of Directors has identified the conflicts of interest that may arise in the course of us providing investment services to our clients and has set these out in our Conflicts of Interest Register (see Annex B of these procedures). You should review this Annex to ensure that you understand the nature of the conflicts identified.

The Board of Directors periodically reviews identified conflicts of interest to ensure that they remain relevant and up-to-date. Furthermore, conflicts are reviewed in the event that we materially change our business (for example, we vary our FCA permissions or we outsource any of our activities to a third party).

All Directors and employees have an ongoing responsibility to remain alert to the fact that additional conflicts of interest may arise. Newly identified conflicts should be immediately reported to the firm's Compliance Officer to include the following details as appropriate:

- Nature of the conflict;
- Whether it is a potential or an actual conflict; and,
- Name of the client(s) concerned.

Upon receipt, the Compliance Officer will determine what further steps need to be taken to manage the conflict in accordance with Section 4 below.

## **4. Managing conflicts of interest**

We are required to have in place procedures setting out the way in which we take all reasonable steps to prevent conflicts of interest materially impacting our clients.

Conflicts of interest that are identified either as part of the periodic review of conflicts by the Board of Directors or on an ad hoc basis by a Director or an employee are reviewed by the Compliance Officer or dealt with in one of the following ways:

- an acknowledgement that existing controls are sufficient to mitigate the conflict, for example when an appropriate Chinese wall already exists;
- implementation of additional control measures specific to the conflict concerned; or
- declining to act for the client(s) concerned;
- disclosure of the conflict to the client(s) concerned and seeking their consent to continue with the service / transaction (see Section 5 below).

In the unlikely event that the Compliance Officer is not involved in the resolution of a particular conflict, full details should be provided to him to ensure that they are recorded in accordance with Section 7.

## **5. Disclosure as a method of managing conflicts**

In circumstances in which we are not able to manage a conflict of interest to a degree that enables us with reasonable confidence to prevent risk of damage to a client, we must clearly disclose the nature and / or source(s) of the conflict to the client concerned. We must do this prior to undertaking business for the client, and set out the disclosure in such a way that enables the client to make an informed choice as to whether or not to enter into a relationship with us.

As per article 34 of the MiFID II Delegated Regulation, disclosure as a way of managing conflicts should be used only as a last resort. The FCA does not permit over-reliance on this method of managing conflicts.

## **6. Recording conflicts of interest**

We have identified the conflicts of interest that arise or may arise in the course of providing investment services to our clients, and the methods by which we manage these conflicts, and have recorded these in our Conflicts of Interest Register (see Annex B of these procedures). This record will be updated in the event that additional conflicts are identified.

In keeping with Article 23(3) of the Markets in Financial Instruments Directive II (“MiFID II”) Directive, disclosures will:

- be made in a durable medium; and
- include sufficient detail, taking into account the nature of the client, to enable that client to make an informed investment decision with respect to the service in the context of which the conflict of interest arises.

## **7. Monitoring conflicts of interest**

Our conflicts of interest and the effectiveness of the controls we have in place to monitor them are reviewed by the Compliance Officer as part of his ongoing monitoring responsibilities on annual basis as per Article 34 of the MiFID II Delegated Regulation..

## **Annex A - Conflicts of Interest Policy**

### **Purpose of our Conflicts of Interest Policy**

This document describes our policy in relation to the identification and management of conflicts of interest by Olivetree Financial Limited. This Policy has been approved by the Board of Directors of Olivetree Financial Limited. We will provide our clients with a summary of this policy should they request one. Please see a summary of this policy at Annex C for disclosure to clients. .

### **General Principles**

1. We will take all reasonable steps to identify conflicts of interests between ourselves (including our managers, employees or any person directly or indirectly linked to us by control) and any client, or between one client and another, that arise or may arise in the course of us providing any service to our clients in the course of carrying on regulated activities or ancillary services.
2. For the purposes of identifying conflicts of interest we will take into account, as a minimum, whether we:
  - a are likely to make a financial gain, or avoid a financial loss, at the expense of a client;
  - b have 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 have a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
  - d carry on the same business as the client; or
  - e receive 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.
3. We will maintain and operate effective organisational and administrative arrangements with a view to taking reasonable steps to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of our clients.
4. In relation to the identification and management of conflicts of interest we will take into account:
  - a the size, organisation, nature, scale and complexity of our firm, both in the United Kingdom and overseas as appropriate;
  - b the specific services and activities carried out by us;
  - c the risk that a conflict of interest may adversely impact the interests of a client, a group of clients, or all of our clients.

5. In relation to the appropriate management of conflicts of interest we will consider the use the following controls:
- a. procedures to prevent or control the exchange of information;
  - b. separate supervision of relevant persons;
  - c. the removal of direct links 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;
  - d. measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out investment or ancillary activities;
  - e. measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary activities.

We will disclose the general nature and / or specific sources of a conflict of interest as a method of managing that conflict only where we consider our internal arrangements to be insufficient.

### **Controls in place to manage Conflicts of Interest**

Olivetree Financial Limited has put the following controls in place to manage potential conflicts of interest which could present material risk of damage to our clients:

- i. As part of our Client Take On process, our Compliance Officer determines whether additional conflicts of interest arise as a result of the new client relationship;
- ii. Potential conflicts of interest are assessed on an ongoing basis by the firm's Compliance Officer who will consider appropriate additional controls where necessary. The Firm's Conflicts of Interest Policy will be reviewed annually and approved by the Board of Directors of Olivetree Financial Limited.
- iii. We have a Personal Account Dealing policy which, in circumstances which may give rise to conflicts of interest, places restrictions on the personal account dealing undertaken by our staff. Further to this, our Personal Account Dealing pre approval process ensures that potential conflicts are actively monitored and avoided;
- iv. We have a Non Independent Research Policy which, under certain circumstances, may prevent Personal Account Dealing, solicitation of client orders, and certain client communications;
- v. We make disclosure to our clients regarding our targeted distribution of Non Independent Research such that it is provided to some clients before it is provided to others.
- vi. We have an Outside Business Interest Disclosure Policy;
- vii. We have a Restricted List which may from time to time prevent personal account dealings by our employees;
- viii. All employees are subject to a general Policy of Independence which requires them to act fully in the best interests of our clients, disregarding any relationship, arrangement or interest of any other party that might conflict with the advice or services that they might provide to our clients.

- ix. We have an Order Execution Policy designed to ensure we provide our clients with Best Execution;
- x. We have an Order Allocation Policy in relation to subsequent allocation of client order that have been aggregated;
- xi. We have an Order Handling Policy which provides for the prompt, fair and expeditious execution of client orders, relative to other clients' orders, which also covers the execution of otherwise comparable orders in accordance with their time of receipt;
- xii. We have an Inducements, Gifts and Entertainment Policy which includes provisions around the giving and receiving of Gifts.

**Annex B - Conflicts of Interest Register**

<b>Type of potential conflict</b>	<b>Example</b>	<b>Possible mitigating factors</b>
Between one client and another client	If we favour one client over another when executing orders.	We have an Order Execution Policy (with monitoring), an Order Aggregation and Allocation Policy setting out how we allocate orders that have been aggregated and an Order Handling Policy. We disclose in our Terms of Business that orders will be aggregated and that this may work to the clients' disadvantage.
Between an employee and a client	During the period when issuance of pending research is known to be imminent, employee Personal, Account Dealing could conflict with client interests.	We have a Non Independent Research Policy which restricts Personal Account dealing under certain circumstances.
Between one client and another client	Executing a client order and/or producing Non Independent Research when the Firm has knowledge of another clients actual or pending order, and/or information about another clients portfolio/holdings etc.	The Firm's policies and/or procedures require employees to keep client information strictly confidential, to share that information internally on a need to know basis only, and where appropriate to restrict access to client information to certain employees.
Between one client and another client	The Firm does not publish its Non Independent Research simultaneously to all its clients but instead distributes it on a targeted basis. Some clients may receive research which has already been provided to other clients previously.	The Firm discloses to clients that its Non Independent Research may have already been provided to other clients previously in its Terms of Business, and on the Research itself.
Between an employee and the firm / a client	If an employee has external directorships / business interests which may conflict with our activities.	We require employees to seek permission to have external directorships / business interests.

<p>Between an employee and the firm / a client</p>	<p>If an employee has personal account holdings or outside business interests in relation to the same financial instruments in which our clients place orders with us, they may be unduly influenced when undertaking their day-to-day activities.</p>	<p>Personal account dealings undertaken by employees are monitored. The firm's Restricted List may prevent personal account dealing.</p>
<p>Between an employee and a client</p>	<p>If the employees receives an in appropriate gift from one client to induce preferential treatment of that clients orders over that of another.</p>	<p>We have an Inducement/Gifts/Entertainment policy and gifts given and received are reviewed by compliance. We also have an Order Handling Policy.</p>
<p>Between the firm and clients</p>	<p>The firm is offered an inducement in the form of a commission fee or other non-monetary benefit to execute orders via a particular broker or venue.</p>	<p>We have an Inducements/Gifts/Entertainment Policy and an Order Execution Policy.</p>

## **Annex C - Summary of our Conflicts of Interest Policy**

Olivetree Financial Limited (“Olivetree”) aims to treat its customers fairly and appropriately at all times. We provide our services using a business model specifically designed to keep to a minimum the potential for conflicts of interest to arise. However, where conflicts of interest are unavoidable, we seek to identify and manage the potential for these conflicts to present material risk of damage to our clients.

According to MiFID II we are required to maintain effective organisational and administrative arrangements in order to take all reasonable steps to identify, monitor and manage such conflicts of interest. We maintain an active Conflict Register that identifies potential conflicts in our business and we have a proactive process for deciding how best to ensure that they do not negatively impact our clients. Set out below is a summary of our policy regarding conflicts of interest.

Olivetree has a general policy of independence that requires all employees to act fully in the best interests of our clients, disregarding any relationship, arrangement or interest of any other party that might conflict with the advice or services that they might provide to our clients. Circumstances in which a potential conflict of interest may arise include (but are not limited to) the following:

- Acting on behalf of you and another third party client in the same transaction and receiving commission or other charges from both parties;
- Executing a transaction for you where we have knowledge of other actual or potential transactions in the same instrument, or knowledge of another client’s portfolios/holdings;
- Execution of personal account transactions by our employees and outside business interests of our employees;
- Production of Non-Independent Research or Marketing Communications (as defined by FCA rules) which is not produced in accordance with the legal requirements designed to promote the independence of Investment Research (as defined by FCA rules) and which, in particular, may not be subject to prohibition on dealing ahead, and which may be provided to other clients in advance of being provided to you;
- Production of Non Independent Research when the Firm may have knowledge of actual or potential client orders, and/or knowledge of a client’s portfolio/holdings; and
- Receipt by our employees of gifts or inducements.

We have specific procedural requirements that cover typical situations where conflicts could arise. These include:

- Supervisory structure designed to promote active escalation, management and supervision of potential conflicts;
- Oversight of business activities by Compliance to manage and control material conflicts of interest;
- Supervision by Compliance of personal account dealings, with pre approval/conflicts check procedure and disclosure of outside business interests for all our employees;
- Operation of a Restricted List, preventing certain activities under certain circumstances;
- Review by Compliance of gifts and inducements received to ensure that they do not

- present material and inappropriate conflicts of interest;
- Order execution policy designed to ensure that we obtain the best execution for our Professional clients and order allocation procedures in relation to aggregated client orders.

Additionally:

- Olivetree does not execute transactions or hold position in any financial instruments on a proprietary basis;
- Olivetree does not have investment banking or investment research functions.

This disclosure of potential conflicts does not create any rights or duties that would not exist if the disclosure had not been made and it does not form a part of the contract between you and us. If you have any questions as a result of this notification, please contact the Firm's Compliance Officer.