



OLIVETREE
FINANCIAL

Conflicts of Interest Policy

June 2020

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Table of Contents

1. Introduction	3
2. Conflicts of Interest Policy.....	3
2.1 General Principles.....	3
3. Identifying conflicts of interest.....	4
4 Controls in place to manage Conflicts of Interest.....	5
5. Managing conflicts of interest	6
6. Disclosure as a method of managing conflicts	7
7. Recording conflicts of interest.....	7
8. Monitoring conflicts of interest.....	8
9. Conclusion	8
Annex A - Conflicts of Interest Register	9
Annex B - Summary of our Conflicts of Interest Policy	11

1. Introduction

The Financial Conduct Authority (“FCA”) requires Olivetree Financial Limited (“Olivetree”) as a regulated firm, which provides investment services to its clients, to identify, manage record and monitor conflicts of interest. We must also have in place a written policy setting out how we comply with the requirements regarding conflicts of interest.

In light of these requirements, we have established this Conflict of Interest Policy (the “Policy”), which seeks to identify the potential conflicts of interest that may arise in Olivetree’s business, and describe how the firm takes all appropriate steps, including effective organisational and administrative arrangements, to prevent or manage the conflicts of interest.

This Policy and any related procedures are owned by the Compliance department and have been approved by Olivetree Senior Management.

The Policy and any related procedures apply to all employees and activities undertaken by us. All members of staff are obligated to act for and in the best interests of Olivetree and its clients. It is the responsibility of all staff members to familiarise themselves with the contents of the Policy and report conflicts of interest to the Compliance Officer using the appropriate channels.

Failure of any member of staff to adhere to the guidance and objectives laid out in this policy, may lead to disciplinary action, including summary dismissal for negligence.

2. Conflicts of Interest Policy

Our policy is a high-level overview of the approach that we adopt in relation to the identification and management of conflicts of interest. A summary of our Conflicts of Interest Policy is set out at Annex B, it is available on our website and can be provided to clients and third parties if they request a copy of it. The purpose of this Policy is:

- To prevent and identify, by reference to the specific services and activities carried out by (or on behalf of) the Firm, the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients;
- To establish and specify procedures to be followed and measures to be adopted to manage such conflicts; and
- To communicate this information to all those who are in the Firm.

2.1 General Principles

Principle 8 (Conflicts of Interest) of the FCA Principles for Business, states that a firm must manage conflicts of interest fairly, both between itself and its clients and between one client and another. **SYSC 10.1.10R** of the FCA Handbook required a firm to establish, implement and maintain an effective conflicts of interest policy that is set out in writing and is appropriate to the size and organisation of the firm and the nature, scale, and complexity of its business. Alongside Principle 8, **Principle 6** contains a general requirement for firms to treat their customers fairly.

In accordance with SYSC 10.1.3R Olivetree takes all appropriate steps to identify, prevent or manage 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.

We maintain and operate effective organisational and administrative arrangements with a view to taking all appropriate steps to prevent conflicts of interest from constituting or giving rise to a risk of damage to the interests of our clients.

In relation to the identification and management of conflicts of interest we take into account:

- the size, organisation, nature, scale, and complexity of our firm, both in the United Kingdom and overseas as appropriate;
- the specific services and activities carried out by us;
- the risk that a conflict of interest may adversely impact the interests of a client, a group of clients, or all our clients.

In relation to the appropriate management of conflicts of interest we consider the use the following controls:

- procedures to prevent or control the exchange of information;
- separate supervision of relevant persons;
- 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;
- 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;
- 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.

3. Identifying conflicts 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

which may arise at the start of a relationship or at any time during the relationship.

SYSC 10.1.4 R, sets out that, for the purpose of identifying the types of conflict that arise in the course of providing a service, and, where there may be a risk of damage to the interests of a client, the Firm must take into account certain issues. It must consider as a minimum, whether the Firm or a relevant person or a person directly or indirectly linked by control to the Firm:

- 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).

OTF have identified a list of 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 A of this Policy). You should review this Annex to ensure that you understand the nature of the conflicts identified.

The conflict of interest list is periodically reviewed 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). Compliance provides a periodic report to CEOthe Board of Directors on the kinds of service or activity carried out by or on behalf of Olivetree, in which a conflict of interest entailing a risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise. This report also confirms the status of the arrangements in place in relation to conflicts of interests.

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 Department 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 Department determines what further steps need to be taken to manage the conflict in accordance with Section 4 below.

1 Controls in place to manage Conflicts of Interest

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

1. Olivetree conducts its business according to the principle that it will manage conflicts of interest fairly, both between itself and its clients, and between one client and another. The Firm is committed to maintaining the highest of ethical standards and complying fully with its regulatory and legal obligations.
2. We operate a business model in which segregation of duties, reporting lines and remuneration are arranged to avoid any conflicts arising.
3. Proportionate information barriers are maintained and are appropriately reflective of the nature and complexity of the business;
4. As part of our Client Take On process, our Compliance Department determines whether additional conflicts of interest arise as a result of the new client relationship;
5. Potential conflicts of interest are assessed on an ongoing basis by the firm's

Compliance Department who will consider appropriate additional controls where necessary. The Firm's Conflicts of Interest Policy is reviewed periodically.

6. 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;
7. We have a Non-Independent Research Policy which, under certain circumstances, may prevent Personal Account Dealing, solicitation of client orders, and certain client communications;
8. 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.
9. We have an Outside Business Interest Disclosure process, which requires that employees do not engage in any practice or pursue private interests that may conflict with the Firm or its clients' interests. Our employees are required to disclose their outside interests to the Compliance Department who will determine whether there is a conflict of interest;
10. We have a Restricted List which may from time to time prevent personal account dealings by our employees;
11. 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.
12. We have an Order Execution Policy designed to take all sufficient steps to obtain the best possible result for clients when executing orders.
13. We have an Order Allocation Policy in relation to subsequent allocation of client order that have been aggregated;
14. 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;
15. We have an Inducements, Gifts and Entertainment Policy which includes provisions around the giving and receiving of Gifts to ensure that we always act in the client's best interest and that there is no risk for the reputation of the Firm.
16. We include training and awareness in relation to conflict of interest requirements and arrangements in the periodical Compliance training provided to all members of staff.

4. Managing conflicts of interest

Olivetree's priority is to identify potential conflicts of interest inherent in its business model and wherever possible, prevent them, or put in place reasonable steps to mitigate them. If a conflict of interest cannot be prevented, it will be managed. The arrangements 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 their risk of damage to the interests of clients.

Conflicts of interest that are identified either as part of the periodic review of conflicts by CEO /the Board of Directors or on an ad hoc basis by a Director or an employee are reviewed by the Compliance Department 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.

5. Disclosure as a method of managing conflicts

Although Olivetree is committed to the highest standards of ethics and conduct, in certain circumstances, conflicts can arise. Where the arrangements made by the firm are not sufficient to ensure, with reasonable confidence, that the risk of damage to the client's interest will be prevented, a clear disclosure to the client must be made in writing to the client before undertaking business for the client. Any disclosure shall contain sufficient information about the general nature or sources of conflict of interest, or both; and the steps taken to mitigate those risks, to allow the client to make an informed decision.

SYSC 10.1.8 states that this disclosure must:

- Describe, in a durable medium, the general nature and source of the conflict of interest to the client before undertaking business for the client; and
- Clearly state that the organisational and administrative arrangements established by the firm to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented; and
- Explain the risks that arise as a result of the conflict of interests and the steps taken to mitigate these risks; and
- Provide sufficient detail to enable that client to make an informed decision in relation to the service in the context of which the conflict arises.

In accordance with SYSC 10.1.9A and with the FCA's expectations, a disclosure will be made only as a **measure of last resort** where the organisational and administrative arrangements established by the Firm to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the client will be prevented.

Should Olivetree determine that it is unable to manage a conflict of interest using one or more of the methods described in this Policy, it may decline to act on behalf of a client.

6. Recording conflicts of interest

Olivetree keeps a record of the types of services and activities carried out, or on our behalf, where a conflict has been identified that may result in a risk of damage to the interests of our clients. This includes potential and actual conflicts and any that might arise when providing an ongoing service to our clients. Records are kept for at least five years since they have been identified.

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 A of this Policy). This record is updated in the event that additional conflicts are identified. Records are kept for at least five years from the entry in the register.

7. Monitoring conflicts of interest

Our conflicts of interest arrangements and the effectiveness of the controls we have in place to monitor them are reviewed by the Compliance Department as part of their ongoing monitoring responsibilities. Results of this monitoring are included in the periodical Management Information to CEO /the Board of Directors and in the periodical report that Compliance Department produces .

8. Conclusion

This document fundamentally highlights Olivetree's approach to Conflicts of interest. The Compliance Department is responsible for incorporating and maintaining this policy and ensuring it effectively manages the Firm's regulatory and business requirements as the service evolves.

This Policy is reviewed periodically , to ensure that it guarantees an effective safeguard against the main conflict of interest risks Olivetree faces and that it reflects the business trend. Changes in the external environment that materially affect the firm or changes in the firm's business strategy or management are also included in the review of this document.

Any updates are communicated to staff in a timely manner and in a way that is comprehensive and effective.

Appendix A - Conflicts of Interest Register

Type of potential conflict	Example	Possible mitigating factors
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 client's 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. OTF's house policy is to provide any form of communication, including research to clients at the same time.
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 receive 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 B - Summary of our Conflicts of Interest Policy

Olivetree Financial Limited (“**Olivetree**”) is committed to maintaining the highest professional standards and principles and 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 risk of damage to our clients.

According to the Financial Conduct Authority (**FCA**) Handbook of Rules, we are required to maintain effective organisational and administrative arrangements and to take all appropriate steps to identify, monitor and manage conflicts of interest.

What is a conflict of interest?

A conflict of interest arises when a firm, or one of its employees, is providing a service to a client, which competes with the interests of another client and/or the interests of the firm’s and/or the interest of the firm’s employee who is involved in providing the service to the client. In deciding whether there may be a conflict of interest to which this policy applies, we consider whether there is a significant risk of damage to a client, taking into account whether:

- we are likely to gain a benefit or avoid a loss at the expense of the client; or
- we have an interest in the outcome of a service which is different to that of the client; or
- we have a financial or other incentive to favour the interest of a client, or group of clients, over the interests of another one; or
- we receive an inducement in relation to our services provided to clients.

All our employees must consider whether their activities may give rise to a conflict of interest, and to report any instances to senior management and our Compliance Department.

Appropriate steps when managing conflicts

We maintain and operate effective organisational and administrative arrangements, such as having put in place business specific procedures that address the identification and management of conflicts of interest. Olivetree has established policies and procedures, governance and supervisory arrangements, monitoring activities, and tailored training employees, to demonstrate we have taken all appropriate steps to prevent a conflict from adversely affecting the interests of our clients.

We maintain an active Conflict of Interest 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 an investment banking function

Disclosure of conflicts

If the organisational and administrative arrangements that we have in place to prevent or manage conflicts result insufficient to ensure, with reasonable confidence, that a conflict of interest can be prevented from adversely affecting our client's interests, we will clearly disclose this to the client before carrying out any business on their behalf. Any disclosure made under this section will be deemed as a *last resort*, in line with the expectations of our Regulator. This disclosure will:

- be made in a durable medium (a letter or email);
- clearly state that we are reasonably confident the organisational and administrative arrangements we have in place will not prevent the risk of damage to the client's interest;
- include a specific description of the conflict explaining what risks to the client might arise as a result of the conflict;
- made before business is undertaken for the client; and
- include sufficient detail to enable the client to take an informed decision about whether to proceed with the service offered by the firm.

If we believe that there is no practical way of preventing a damage to the interests of one or more clients, we can refuse to act for those clients.

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.

More on this Policy

We review our Conflict of Interest Policy periodically to ensure we keep meeting our regulatory requirements. Should we make a material change to our policy and this document, we will publish the revised version of this document on our website.

If you have any questions, please do not hesitate to contact us at;

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