



## **Conflicts of Interest Policy**

### **Introduction**

The Company is required as per applicable law to establish and provide its clients and potential clients a Conflicts of Interest Policy and take all reasonable steps to implement effective procedures for the identification, prevention and management of conflicts of interest.

The Company establishes the Policy with the purpose to:

- (a) Identify, with reference to the specific investment services and activities and ancillary services carried out by or on behalf of the Company, the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more clients; and to
- (b) Specify procedures to be followed and measures to be adopted in order to manage such conflicts.

All employees of the Company must on commencement of their employment read and fully understand the Policy. All employees of the Company are obliged to register their acceptance of having read and understood the Policy. This Policy is available to clients upon request.

As a general rule, all employees should always be alert to potential conflicts of interest. Where one is believed to exist, employees should escalate the matter to the Compliance Officer and the Board of Directors. In case where a conflict of interest has occurred the Company shall ensure that disclosure of conflicts of interest to clients, prior to the provision of the service, is a measure of last resort that shall be used only where the effective organizational arrangements established 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. Additionally, in cases where it is not possible to manage the identified conflicts of interest, the Company may decline to act on behalf of a client.

### **Background and regulatory context**

In accordance with to **section 24** of the Law, the Cyprus Investment Firm (“CIF”) a CIF must take all the reasonable steps to identify conflicts of interest between itself, including its managers and employees and tied agents, or any person directly or indirectly linked to it by control, and its clients or between one client and another, that arise in the course of providing any investment and ancillary services, or combinations thereof, including those caused by the receipt of inducements from third parties or by the CIF’s own remuneration and other incentive structures.



Where organisational or administrative arrangements made by the CIF to prevent conflicts of interest from adversely affecting the interest of its client, are not sufficient to ensure, with reasonable confidence, that risks of damage to client interests will be prevented, the CIF shall clearly disclose to the client the general nature or/and sources of conflicts of interest and the steps taken to mitigate those risks, before undertaking business on its behalf.

Additionally, **section 10** of the Law states that the Company's Board of Directors defines, oversees and is responsible for the implementation of the governance arrangements that ensure effective and prudent management of the Company, including the segregation of duties in the Company and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interests of clients.

**Article 29** of the Commission Delegated Regulation 2017/565, provides that a CIF is required to “establish, implement and maintain adequate arrangements aimed at preventing any relevant person who is involved in activities set out below that may give rise to a conflict of interest, or who has access to inside information within the meaning of Article 7(1) of Regulation (EU) No 596/2014 (“**Market Abuse Regulation**” or “**MAR**”) or to other confidential information relating to clients or transactions with or for clients by virtue of an activity carried out by him on behalf of the firm:

- a. that person is prohibited from entering into is under MAR;
- b. it involves the misuse or improper disclosure of that confidential information;
- c. it conflicts or is likely to conflict with an obligation of the investment firm under Directive 2014/65/EU (“MiFID II”).”

**Article 34** of the Commission Delegated Regulation 2017/565, provides that a CIF “is required to establish, implement and maintain an effective conflicts of interest policy set out in writing and appropriate to the size and organisation of the Cyprus Investment Firm and the nature, scale and complexity of its business. Where the CIF is a member of a group, the policy shall also take into account any circumstances, of which the CIF is or should be aware, which may give rise to a conflict of interest arising as a result of the structure and business activities of other members of the group.”

In addition, Regulation (EU) No596/2014 on market abuse (MAR) provides for rules against certain conduct by persons who have in their possession “inside information”, rules in relation to the responsibility for disclosure of interest and conflicts of interest when producing recommendations and obligations of persons who professionally arrange transactions.



## What is a conflict of interest?

A conflict of interest is a situation, arising in any area of the Company's business, where the Company or an employee of the Company is in a position to exploit a professional or official capacity in some way which may benefit the Company, or an employee of the Company, or a client of the Company, whilst potentially damaging the interest of another client of the Company.

The affected parties where conflict of interest arises can be: the Company, its employees or its clients. More specifically, a conflict of interest may arise, between the following parties:

- a) Between the client and the Company
- b) Between two clients of the Company
- c) Between the Company and its employees
- d) Between a client of the Company and an employee/manager of the Company
- e) Between Company's departments

For the purposes of identifying the types of conflicts of interest that arise in the course of providing investment services or a combination thereof and whose existence may damage the interests of a client, the Company takes into account, by way of minimum criteria, the question of whether the Company itself or a relevant person, or a person directly or indirectly linked by control to the Company is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

- The Company or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- The Company or that person is interested 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 interests;
- The Company or that person has a financial or other incentive to favor the interest of another client or group of clients over the interests of the client;
- The Company or that person carries on the same business as the client;
- The Company or that person receives 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 money, goods or services, other than the standard commission or fee for that service;
- The Company or that person has a relation with the issuers of the products, e.g. close family relation;
- The Company or that person keeps investor accounts in other investment firms without the prior authorization from the Company;
- The Company or that person hides information from investors which they have right or access to;
- The Company or that person uses inside information or non-public proprietary information for own purposes;



- Use inside information or non-public proprietary information to recommend or solicit the purchase or sale of a security;
- The Company or that person discloses inside information to other Company personnel who are not authorized to it;

In addition, the Company's employees are prohibited from misusing "inside" information.

Indicative cases of conflict of interests are listed below:

- Exercising influence on the client or providing advice to him with the view to obtain benefit for itself or other affiliated parties
- Entering into unnecessary and unprofitable transactions for the client so as to increase the amount of commission and other fees
- Using of confidential information provided by the client for the Company's own benefits or benefits of its employees

The following procedure sets out actions for avoidance and resolution of conflicts of interest situations by the Company. The procedure is communicated to all members of the Company and includes measures specifically required by CySEC and the Company.

### **Measures adopted**

The following measures have been implemented for the prevention of conflicts of interests:

- There are 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 Company will identify the circumstances, which may give rise to a material conflict of interest, based on its specific investment services and will specify the measures adopted in order to manage such conflicts
- There is a separate supervision of relevant officers 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 the Company
- The security features implemented by the Company prevent unauthorized access to sensitive information in order to benefit the Company over its clients
- The employees of the Company are prohibited from investing in products for which they have access to non-public or confidential information
- Absence 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 of interest may arise in relation to those activities

- Measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment services or activities where such involvement may impair the proper management of conflicts of interest
- All executives and members of staff of the Company must declare to the Company any relation (up to second degree relation) to any major shareholder or member of the Board of any company in which the Company has special participation
- All executives and members of staff of the Company must declare to the Company any relation (up to second degree relation) to other members of staff of other departments of the Company
- The company will clearly disclose the general nature and/or sources of conflicts of interest to the client before undertaking business on its behalf, in case the organizational and administrative arrangements are not sufficient;
- The Conflicts of Interest Policy is established and communicated to all personnel and management. The Policy includes issues specified explicitly by CySEC and the Company's procedures (for example, how to handle conflicts of interests issues)
- The Policy also takes into account any circumstances, of which the firm is or should be aware, which may give rise to a conflict of interest arising as a result of the structure and business activities of other members of the Group.
- The employees of the Company are prohibited from being involved in situations which may result in:
  - a) Financial gain at the expense of the client
  - b) Interest of the employee from the outcome of a service provided to clients
  - c) Favoring the interest of a client at the expense of another client
  - d) Employee carrying on the same business as the client
  - e) Receipt of an inducement in relation to a service provided to clients

The Company ensures that conflicts of interests are managed fairly both between itself and its clients and between the clients. Each employee should ensure that his or her personal interests do not conflict or appear to conflict with the interests of the Company or its clients. If confronted with a conflict of interest or a potential conflict of interest situation, an employee should report the conflict or the potential conflict to his or her immediate manager and the Compliance and AML Officers. The Company will then disclose the conflict of interest or potential conflict of interest situation to the client.

The Company's practices for the prevention of or fair treatment of conflicts of interest between the Company, including persons associated with the Company, and approved persons and its clients or amongst the clients of the Company inter se, consist in the following:



- **Fair treatment of clients** - the Company treats its clients fairly in accordance with the criteria that it introduces and notifies to them. In case of differentiated treatment of the clients in the course of provision to them of investment services, this occurs on the basis of objective criteria, such as the Assets Under Advisory or Assets Under Management , the category to which the client belongs. Generally, the Company is committed to treat clients fairly and wit transparency, as regards to all the services offered and also ensuring that no client receives preferential treatment that may prejudice another client.
- **Disclosure to the customer of information regarding actual or potential conflicts of interest** - in case of any conflict of interest or potential conflict of interest situation of which the Company’s employee responsible for the provision of services to the customer knows or should have known, the Company shall, in accordance with the prevailing circumstances, inform the customer in sufficient time in writing or by any other equivalent means (e.g. by electronic mail), either generally and in abstract or in connection with the specific transaction, in respect of the risks of conflicts of interest between the customer and the Company, or between the customer and other customers of the Company and include in its disclosure to the client sufficient detail in order to enable the client to mke an informed decision regarding the service in the context of which the conflict of interest arises. Disclosure of conflicts of interest will not exempt the Company from the obligation to maintain and operate effective organizational and administrative arrangements. Specifically, disclosure is a measure of last resort used only where the effective organizational and administrative arrangements established are not sufficient to ensure that risks of damage to the interests of the client will be prevented. Employees must not place an over-reliance on a conflict of interest disclosure, but should also consider more broadly how the conflict can be appropriately managed.
- **Record Keeping** – the Company keeps and regularly updates a record of the kinds of investment and ancillary service or investment activity carried out by the Company 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;
- **Observance of the priority of customer interests** over those of the Company, including those of persons associated thereto
- **Refusal** of the Company to perform particular services in order to avoid a conflict of interest situation
- **‘Chinese Walls’/Information Barrier**

Through the establishment and implementation of “Chinese Walls” the Company creates information barriers in order to prevent the transfer of confidential/inside information between departments and/or companies of the same group. Chinese Walls are essential information barriers which are used to prevent inside or highly confidential information possessed by one part of the business from being inappropriately passed to, or obtained by, another part of the business. The PwC CIF employees will be located in PwC premises but at separated offices from the rest of the Pricewaterhousecoopers Limited employees so that to



ensure that the ‘Chinese walls’ are safeguarded. The General Manager of the CIF will get involved in the business development of the PwC CIF and of the PwC MFO. The employees of the PwC CIF will interact with employees of various competencies of Pricewaterhousecoopers Limited or of other PwC network firms for providing services to the clients of the PwC Multi-Family Office. This will be normal practice since the PwC MFO aims to integrate wealth planning, tax planning and investment planning. The Company has taken appropriate measures to restrict the flow of information between certain functions of the Company:

- a) The Regulatory Compliance Officer has unrestricted access to all information and to all departments;
- b) All control functions i.e. the Regulatory Compliance Officer, the Risk Manager, Internal Auditor, External Auditor, are reporting directly to the Board of Directors and are strictly prohibited from making available their annual or other reports to the any employee, from any department prior to communicating the reports to the Board of Directors and obtaining their consent.

Given that the CIF and the provider of outsourced services belong to the same Group the CIF has to the degree that the CIF controls the provider of the outsourced services or could affect its actions.

For that purpose Chinese walls will be in place. The General Manager and Compliance Officer should make sure that no such control will take place and will ensure that all outsourced functions will objectively report to the Board of the CIF – where applicable.

The PwC CIF should be aware of any circumstances that may give rise to a conflict of interest arising as a result of the structure and business activities of other members of the group. Such cases may be the provision of other services by other members of the group to issuers of financial products (e.g. Funds). In this case the Compliance Officer will make sure that if those products will be included in the recommendation list for the client that are suitable, then the selection criteria should be objective and also more than two other similar options should be provided to the Client to choose.

The Compliance Officer makes sure that there is an up-to-date register of the kinds of investment services or investment activity carried out by or on behalf of the Company in which a conflict of interests entailing a material risk of damage to the interests of one or more clients has arisen or may arise. All such cases are reported to the General Manager as they arise and to the Board in the course of review of the Compliance report.

### **Insider Dealing and Market Abuse**

The employees of the Company are prohibited from misusing “inside” information and engaging in market abuse.



Market abuse includes:

- **Inside information** - “inside” information is non-public information which has been provided to the Company by an external source on the basis that it will be kept confidential and will not be used for the Company’s benefit, including management, employees and their associated persons
- **Improper disclosure** - where there is disclosure of “inside” information by the director of an issuer to another person in a social context and then improperly disclosing this information to the analysts
- **Manipulating transactions** - effecting transactions or orders to trade, other than for legitimate reasons and in conformity with accepted market practices which give or are likely to give a false or misleading impression as to the supply of, or demand for, or as to the price of the specific financial instrument
- Any other activities aimed to create a false or misleading impression as to the supply of, demand for or price or value of investments

The following provisions should therefore be adhered to:

- No associated person may purchase or sell a financial instrument or cause the purchase or sale of a financial instrument for any account while in possession of “inside” information relating to that financial instrument
- No associated person may recommend or solicit the purchase or sale of any financial instrument while in possession of “inside” information relating to that financial instrument
- No associated person may disclose “inside” information to others, except disclosures made in accordance with the Company’s policies and procedures to other Company personnel or persons outside the Company who have a valid business reason for receiving such information
- No associated person may purchase or sell or cause the purchase or sale of a financial instrument for an employee or employee-related account or an account over which an employee exercises investment discretion, while in possession of “proprietary” information concerning a contemplated block transaction in the financial instrument or for a client account when such client has been provided such information by any associated person

In no cases should the employees of the Company engage in behaviors that could be considered as market abuse. It should be noted that refraining from disclosing information may result to market abuse. If there is any doubt about what constitutes market abuse then the Regulatory Compliance/ AML Compliance Officer should be contacted to provide clarifications.





## **Anti-bribery**

### **Objective**

The company follows the PwC Anti-bribery policy as outlined below.

Soliciting, offering, paying or accepting bribes are not acceptable behaviors.

Do not solicit, accept, offer, promise or pay a bribe, either directly or through a third party. This includes so called "facilitation payments".

This policy applies to any bribes, including those paid to government officials and commercial parties.

Follow PwC policy and procedures if you are encouraged or asked by anyone to solicit, accept, offer, promise or pay a bribe in relation to any client or professional work you are performing.

### **Commissions from third parties**

To strengthen the protection of investors and increase clarity to clients and potential client as to the service they receive, it is also appropriate to further restrict the possibility for the Company to accept and retain fees, commissions or any monetary and non-monetary benefits from third parties, and particularly from issuers or product provider.

The Company, in the process of providing services to its Clients, will not receive, accept or pay any fees, commissions or other monetary or non-monetary benefits from or to third parties with which it cooperates in the provision of services.

If any providers suggest such commissions then the company will use them for the benefit of the client. For example any suggested kick-back fees by third party investment managers will be used to reduce the third party investment manager's cost for the client.

### **Personal Transactions**

It is the Company's policy not to allow employees to engage in personal investment activity unless it is done following the approval of the Regulatory Compliance and AML Compliance Officer. The Policy covers transactions done on individual account basis and those, which are done on accounts where employees have significant influence. The authorized personal transactions should not distract an employee from their full time employment.

The employees sign a declaration that they confirm and comply with all restrictions imposed by the Law in respect of personal transactions and the additional statements as listed below in this IOM. The Company's employees have to also get approval via the Independence Check point of



PwC. Following this, the employee can engage in personal investment activity and transactions without any further approval from the Compliance / AML Officer.

All members of staff are aware of the restrictions imposed by law in respect of personal transactions, the handling of conflict of interest and “inside” information within the meaning of section 5 of the Insider Dealing and Market Manipulation (Market Abuse) Law, or confidential information relating to clients or transactions with or for clients.

It is the responsibility of the Regulatory Compliance/ AML Compliance Officer to prevent any personal transaction in the following cases:

- (a) Entering into a personal transaction which meets at least one of the following criteria:
  - The employee is prohibited from entering into it under the Regulation (EU) No 596/2014;
  - The transaction involves the misuse or improper disclosure of that confidential information;
  - The transaction conflicts or is likely to conflict with an obligation of the Company under the Law;
  - The products are included on the Restricted or Watch Lists.
- (b) Advising or recommending, other than in the proper course of his employment or contract for services, any other person to enter into a transaction in financial instruments which, if it were a personal transaction of the relevant person, would be covered by point (a) above or Article 37(2)(a) or (b) of the Delegated Regulation or by the fact that the Company shall not misuse information relating to pending client orders, and shall take all reasonable steps to prevent the misuse of such information by any of its relevant persons.
- (c) Disclosing, other than in the normal course of his employment or contract for services, any information or opinion to any other person if the relevant person knows, or reasonably ought to know, that as a result of that disclosure that other person will or would be likely to take either of the following steps:
  - To enter into a personal transaction which meets the criteria covered in (a) above or misuse information that relates to pending client orders.
  - To advise or procure another person to enter into such a transaction.

The arrangements specified above paragraphs are designed to ensure, in particular, that:

- (a) Each relevant person covered by paragraphs above is aware of the restrictions on personal transactions, and of the measures established by the Company in connection with personal transactions and the disclosure of such transactions,



- (b) The Company is informed promptly of any personal transaction entered into by a relevant person, either by notification of that transaction or by other procedures enabling the Company to identify such transactions. In the case of outsourcing arrangements the Company must ensure that the firm to which the activity is outsourced maintains a record of personal transactions entered into by any relevant person and provides that information to the Company promptly on request. A record is kept of the personal transaction notified to the Company or identified by it, including any authorization or prohibition in connection with such a transaction.

The above information will not be applicable to the following kinds of personal transactions:

- (a) personal transactions effected under a discretionary portfolio management service where there is no prior communication in connection with the transaction between the portfolio manager and the relevant person or other person for whose account the transaction is executed;
- (b) personal transactions in undertakings for collective investments in transferable securities (UCITS) or AIFs that are subject to supervision under the law of a Member State which requires an equivalent level of risk spreading in their assets, where the relevant person and any other person for whose account the transactions are effected are not involved in the management of that undertaking.

### **Updating the Conflicts of Interest Policy**

The Conflicts of Interest Policy is reviewed at frequent intervals to assess its appropriateness as regards the mix of services offered by the Company. The outcome of the review will be reported in the Compliance Annual Report that is submitted to the Board of Directors.

In addition, the Conflicts of Interest Policy will be updated whenever such a need arises. The following circumstances can trigger the review process:

- Change in the service and product mix of the Company
- Identification of situations that are not adequately captured in the Conflicts of Interest Policy

If any of the above occurs, then the Conflicts of Interest Policy is updated. If the changes brought about are material, the Company's clients are notified in writing.