

## Conflicts of Interest Policy

### Introduction and Purpose

MM Wealth is authorised and regulated by the FCA to provide regulated activities to its clients.

Under the 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 prevent or 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.

The FCA's Principle for Business, Principle 12 (Consumer Duty) and the cross-cutting obligation to 'act in good faith' (PRIN2A.2) also have a bearing on how we identify and manage conflicts of interest in practice.

When undertaking its services MM Wealth always acts in the clients' best interests and puts their interests ahead of its own. Acting for clients may create conflicts between the interests of MM Wealth and its clients or between the interests of different clients.

The purpose of this policy is to outline the framework MM Wealth has in place to identify, manage, monitor and review conflicts of interest.

### Definition

An actual or potential conflict may arise when, in the exercise of its activities and services, the interests of MM Wealth (including its managers, employees and appointed representatives or any person directly or indirectly linked to them by their control or shareholding) and the interest of its clients, are directly or indirectly in competition, and which could significantly prejudice the client's interests.

### Application

This policy applies to all staff which includes permanent and temporary employees, apprentices, contractors, and outsourced business suppliers.

### Policy

This section outlines MM Wealth's policy for ensuring controls are in place to identify and manage conflicts of interest that may arise in carrying on its business to ensure that all of MM Wealth's clients are treated fairly.

### Identifying Conflicts of Interest

MM Wealth has procedures to identify situations in which activities carried out by it could constitute conflicts of interest and that could lead to potential risks of damage to its client's interests. To identify them, MM Wealth takes into account the activities it is authorised to carry out as well as those carried out on its behalf by counterparties and service providers.

For the purpose of identifying the types of conflicts of interest that arise in the course of providing its services, MM Wealth takes into account whether it, its managers, employees, other relevant person or a person directly or indirectly linked by way of control:

- is likely to make a financial gain, or avoid a financial loss, at the expense of a client;
- has an interest in the outcome of a service or an activity provided to the client which differs from the client's interest in that outcome;

- has a financial or other incentive to favour a client or group of clients, over the interests of another client;
- carries out the same activities for the client and for another client;
- receives an inducement from a third party in the form of monies, goods or services other than the standard commission or fee for that service.

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

- Our firm and our clients
- Our staff and our clients
- Two or more different clients
- Third parties and our clients
- New services / products and our clients
- Strategic changes and our clients.

### **Overview of circumstances which may give rise to Conflicts**

Examples of areas where potential conflicts of interest could arise include, but are not limited to, the following:

- **Inducements** – MM Wealth could offer or receive inducements in respect of certain services, which could incentivise the recipients of the inducement to not act in the client's best interests.  
Staff are not allowed to accept gifts, entertainment or any other inducement from any person which might benefit one client at the expense of others when conducting investment business.  
Similarly, our staff are not allowed to place undue pressure on clients to persuade them to trade through the firm to the extent that this gives rise to a conflict of interest between that client and another client.
- **Information Flows** – MM Wealth may have access to material non-public information through the ordinary course of their business activities that could be used to benefit MM Wealth, employees or clients at the expense of other clients (e.g. employees could use knowledge of client orders to front run proprietary trading activities).  
Staff are required to act in accordance with our Confidentiality Policy and Personal Account Dealing Policy. At a company level we maintain centralised Insider List and Restricted List.
- **Order Handling** - Client orders could be handled in a manner that may benefit MM Wealth, employees or one client at the expense of other clients (e.g. the execution of one client's orders could be given preference over another client's orders).  
In order to ensure as fair treatment as possible for clients, our Best Execution Policy requires us to take all sufficient steps to achieve the best overall trading result for clients.  
On some occasions, client orders may have a material effect on the relevant securities price. In order to ensure our staff do not take advantage of the situation by dealing on their own account (Personal Account Dealing) or encourage a third party to deal, we operate a 'No front running' policy whereby client orders will always take priority. We regularly monitor business transactions in order to ensure we meet these requirements.
- **Personal Account (PA) Dealing** – Employees could deal on their own account to the disadvantage of clients (e.g. they could front run client orders with their own PA dealing activities).  
Our staff may buy, sell or hold the same investments as our clients, however a trading embargo is in place during the clients' portfolios rebalance process. We control personal account deals by ensuring that trading of the relevant investments is identified and where appropriate approved by our firm's Compliance Officer prior to execution, as per our PAD policy. All staff, irrespective of their position in the firm sign on an annual basis to confirm their understanding of our procedures.

- **Outside Business Interests** - Employees could receive material non-public information through outside business interests, such as directorships, which they could use to gain an advantage or avoid a loss. New employees are obliged to declare their outside business interest from outset, and on ad-hoc basis thereafter seeking approval the Compliance Officer. All staff sign on an annual basis to confirm their understanding of our procedures.

- **Remuneration** – Employees could be incentivised to encourage inappropriate trading which has no discernible benefit for clients (e.g. advising a client to churn their trades) in order to increase their earnings.

All relevant staff who are open to a conflict of interest are paid a basic salary including those who hold key support areas such as compliance, finance and operations. This salary is not dependent on business performance. A bonus structure does exist, but bonuses are not guaranteed, they are linked to the individual, their team and the firm's performance via objectives under a Performance Development Review (PDR) scheme. This is at the discretion of senior management, and they will agree the bonus terms each year. Performance is measured via their objectives as agreed under the PDR scheme. Managers will formally review the objectives with the individuals quarterly, together with the individual's personal development and any other relevant factors. Remuneration is reviewed, assessed and signed off by the board annually. Variable remuneration is paid to reward staff for their contribution to the performance of the firm and to encourage corporate citizenship and alignment of interests between those of the employee, the firm, and its clients. Clients are central to our business values and our objectives are to act in their best interest, therefore bonuses are not solely linked to sales targets.

- **Investment Research** - The production and/or distribution of investment research by MM Wealth could be used to the advantage of MM Wealth or some clients over other clients (e.g. the investment research could be used internally before being circulated to clients). MM Wealth does not produce or distribute research externally.

- **Segregation of duties** – Failure to segregate, within its own operating environment, tasks and responsibilities which may be regarded as incompatible with each other or which may potentially generate systematic conflicts of interest.

We strive to ensure that the performance of multiple functions by relevant persons does not and is not likely to prevent those persons from discharging any particular functions soundly, honestly and professionally. Our policies concerning the segregation of duties within the firm and the prevention of conflicts of interest are laid out below. Relevant persons involved in the compliance function will not normally be involved in the performance of services or activities they monitor.

We are aware that effective segregation of duties is an important element in the internal controls of a firm in the prudential context. In particular, it helps to ensure that no one individual is completely free to commit the firm's assets or incur liabilities on its behalf. Segregation also helps to ensure that the firm's senior management receives objective and accurate information on financial performance, the risks faced by the firm and the adequacy of its systems.

We ensure that, in general, no single individual has unrestricted authority to do all of the following:

- initiate a transaction;
- bind the firm;
- make payments; and
- account for it.

Where we are unable to ensure the complete segregation of duties due to a limited staff base, we have adequate compensating controls in place including the frequent review of an area by relevant senior managers. The firm ensures that its relevant persons are aware of the procedures which must be followed for the proper discharge of their responsibilities.

## **Monitoring and Management of Conflicts**

MM Wealth has put in place procedures to ensure that we can effectively identify and manage conflicts of interest where there is a material risk of damage or loss to one or more clients, these include:

- Having a firm culture in place that is central to identify conflicts of interest i.e. training staff on how to look for conflicts of interest and to report them and regular senior management review;
- Client take-on procedures to obtain sufficient information in order to undertake the appropriate conflicts checks prior to formal engagement;
- Senior Management are required to regularly consider whether all potential conflicts have been identified and where a conflict is identified ensure that either:
  - any conflict of interest can be managed appropriately and that the conflict has been disclosed to the client; or
  - we decline to act for the client;
- Having an independent member within our Investment Committee to challenge our investment decision making;
- Having an independent member as part of our Board (NED) to provide an independent oversight and challenge;
- Employee disclosure requirement regarding external business interests, personal account transactions and gifts;
- Segregation of duties between potentially conflicting tasks (e.g. trading function and risk management; trading function and valuations; front office and market abuse surveillance etc);
- Having a Remuneration Policy in place that aligns risk and individual reward; discourages excessive risk taking and short termism and supports a positive conduct culture;
- Having a clear Dealing Error Policy that encourages internal disclosure and focuses on putting a client back in the position they would have enjoyed had the error not occurred;
- Anti-Bribery Policy and Risk Assessment;
- Having a Best Execution Policy that seeks to achieve the best possible result for clients on a consistent basis, taking into account price, cost, speed, likelihood of execution and settlement, size, nature or any other execution consideration, when executing transactions on the client's behalf.

## **Disclosure**

There may be occasions where we are not, in our opinion, reasonably confident that the risks of damage to the interests of the client will be prevented. As a last resort, where there is no other means of preventing or managing a conflict, we will disclose clearly, in writing, sufficient details, considering the nature of the client, to enable the client to make an informed decision with respect to the service in the context of which the conflict of interest arises.

This disclosure will also:

- Clearly state our firm's arrangements to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interest of the client will be prevented
- Include specific description of the conflicts of interest that arise in the provision of providing our services, and
- Explain the risks to the client that arise as a result of the conflicts of interest

Where we consider we are not able to prevent or manage the conflict of interest in any other way, we may decline to act for the client.

## **Procedures (internal)**

The following outlines the procedures to be followed and measures to be adopted in order to manage conflicts of interest.

### **Employee Duties and Responsibilities**

All employees are responsible for ensuring that they are compliant with this policy which includes:

- Remaining vigilant to potential conflicts of interest arising;
- Identifying and notifying the Compliance Officer of potential or actual conflicts of interest;
- Adhering to operating policies and procedures (available on Newgate) that relate to conflicts management such as: PA dealing; gifts and hospitality; outside business interests; inside information notification etc;
- Completing annual training on conflicts of interest;
- Confirming compliance with relevant conflict policies through MM Wealth's periodic affirmations.

### **Notification**

If an employee suspects that a conflict has occurred in relation to an ongoing client, the employee should notify the Compliance Officer immediately to ensure that potential and actual conflicts of interest can be identified and managed.

Identification of conflicts is the responsibility of all employees at MM Wealth. All employees are made aware of their responsibilities to identify situations which give rise to a conflict or which might give rise to a conflict under MM Wealth's conflict of interest policy.

In the event that an employee is unsure as to whether a situation represents a potential conflict of interest or not, the employee is required to raise the issue immediately with the Compliance Officer.

### **Assessment**

Senior Management and Risk Management will assess all conflicts of interest situations. Such assessment shall include (but is not limited to) assessing the following:

- Whether the situation represents an actual, perceived or potential conflict of interest;
- How the conflict of interest can be appropriately managed;
- The materiality of the conflict of interest;
- Whether the conflict of interest requires immediate notification to senior management for further assessment;
- Whether it is necessary to disclose the conflict of interest to the client(s) to agree a course of action with the client(s) or resolve the conflict via another route.

### **Resolution**

MM Wealth will take the necessary actions to resolve and manage actual or potential conflicts of interest. This may include (but is not limited to):

- Managing the situation so as to prevent the conflict of interest arising;
- Managing the situation so as to ensure the interests of MM Wealth or its employees are not permitted to disadvantage or lead to a loss for the client(s);
- Notifying the conflict of interest to the client(s) so that either a satisfactory course of action may be decided upon or the client may elect not to use the service insofar as there is a conflict.

### **Reporting/Record Keeping**

The Risk Management team will maintain a Conflicts of Interest Register of all circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of clients.

The Conflicts of Interest Register will be used to summarise potential or actual conflicts of interest which may arise or have arisen and the controls, persons involved, owner, policies and procedures in place to manage these conflicts – including client disclosures and subsequent instructions.

### **Senior Management Review**

Risk Management will provide Senior Management at least annually with a written report on any conflict of interest/potential conflict of interest that may arise including details of the situation giving rise to the conflict or potential conflict, the assessment analysis and the measures taken to mitigate the conflicts.

Periodically (no less than annually) senior management shall analyse the conflicts that have arisen as well as potential conflicts of interest and review the systems and controls that are in place for preventing and mitigating the conflicts of interest in order to ensure that they continue to be effective and relevant for dealing with conflicts of interest situations.

### **Ownership and Implementation**

The Compliance Officer is the owner of this document and is responsible for its content and implementation, oversight of the application of the policy and assisting employees with the identification and management of conflicts of interest. The Risk Management Team along with the Compliance Officer will ensure that the policy is regularly tested and updated where necessary.