

Conflicts of Interest Policy



BLACKTOWER
FINANCIAL MANAGEMENT GROUP

General Statement

The nature of the financial services market is such that conflicts of interest can sometimes arise. When we provide advice, make recommendations, arrange transactions or deal on the clients behalf, we or some other entity associated or connected with us may have an interest, relationship or arrangement that is material in relation to the investment, transaction or service concerned. We endeavor to ensure that no conflict arises, but where it does we will seek to manage the conflict fairly and always act in the best interests of the client. If conflicts are not properly identified and managed it could lead to a loss of revenue, damage to our reputation, legal action, public censure or a fine from the regulator against both the firm and relevant employees. It is important to identify and manage conflicts of interest, which arise or may arise in due course of providing a service, as their existence may lead to a material risk of damage to a clients interests. This document sets out the policy of Blacktower Group to effectively manage the conflicts of interest that may arise where they provide services to clients in the course of carrying on regulated activities.

Application

Senior Management Responsibility

Senior Management are required to set the standards governing the handling of conflicts of interest within a firm. Within the entity, the responsibility for ownership of conflict risk, ultimately rests within the Board of Directors, and therefore the members of the Board must take reasonable steps to prevent conflicts of interests from constituting or giving rise to a material risk of damage to the interests of clients within the areas for which they have responsibility.

In practice, the performance of these responsibilities will be delegated to all Blacktower members and staff to identify and manage appropriately any conflicts of interest that arise in his or her business. This means that all members of the network and staff should be aware of the extent of the risk in his or her area in terms of conflict of interest and is aware of the processes that should be followed in the event of a potential conflict arising.

The General Manager/Compliance Officer has the responsibility for recording the details of conflicts arising, as well as for monitoring the effectiveness of the conflicts procedures.

Where Conflicts May Arise

Whilst detailed, the policy is not intended to be a comprehensive list of all conflicts and/or situations, which may give rise to such conflicts. Inevitably, circumstances will arise that are not specifically covered. Broadly, a conflict may arise wherever two or more parties have different interests in an undertaking. Conflicts may arise between the interests of a firm and client, between two or more clients or even between a firms employees and clients.

Identification of Conflicts of Interest

The following list sets out some of the circumstances where conflicts may arise. This list is not exhaustive and we monitor all areas to identify potential conflicts of interest. The circumstances which should be treated as giving rise to conflicts of interest include all cases where there is a conflict between the interests of Blacktower, a member of the network, an individual member of staff, certain persons directly or indirectly connected to Blacktower and the duty Blacktower owes to a client; or conflicts may arise and all staff must take into account whether any of the persons described above:

- a. Is likely to make a financial gain, or avoid a financial loss, at the expense of the client
- b. Has 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 clients interest in that outcome
- c. Has a financial or other incentive to favor the interest of another client or group of clients over the interests of the client
- d. Carries on the same business as the client
- e. 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 monies, goods or services, other than the standard commission or fee for that service

Inducements and Gifts

No employee may accept from or give to, any person, any gift or other benefit that cannot properly be regarded as justifiable in all the circumstances. Members of the network and employees may not accept gifts from, or provide gifts or inducements to, an individual or firm with whom they conduct, or intend to conduct, business on behalf of Blacktower unless it can be demonstrated that doing so creates no conflict of interest.

Entertainment accepted by a member of the network or employee should be appropriate and the acceptance of such entertainment should not create any conflict of interest. This rule applies even if the direct recipient of the gift or other benefit is the spouse or a child of the employee. The provision or acceptance of gifts and entertainment should be consistent and proportionate with the corporate relationship. The BFMI Gifts and Entertainment Policy has been established to ensure that gifts and entertainment given and received comply with this policy. This included the requirement for gifts and entertainment to be recorded on the Gifts and Entertainment Register.

Remuneration

The way in which members of staff are remunerated is also considered to ensure that remuneration structures do not create a conflict between incentives given to staff and the best interests of clients.

Personal Account Dealing

Members and employees may only undertake personal investment activities that do not breach applicable law or regulation, do not unduly distract from their employment responsibilities and do not create an unacceptable risk to the company's reputation. Transactions should also be free from business and ethical conflicts of interest. Employees must never misuse proprietary or client confidential information in their personal dealings and must ensure that clients are never disadvantaged as a result of their dealings.