



WISE INVESTMENT

Conflicts of Interest Policy

Introduction

Wise Investment is committed to providing its clients with a service that delivers outcomes in their best interests and minimises any conflicts that may arise. We do this by providing ongoing training with all employees and representatives of our business so that they can identify, report and manage any areas of concern. In addition, all regulated investment firms have a legal duty to consider and manage potential conflicts of interest that arise between the firm (or its staff/representatives) and its clients. Wise Investment takes all reasonable steps to identify conflicts of interest which may arise when we provide financial advice and investment services to our clients. Where we cannot mitigate a conflict of interest, we will disclose these to 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.

When identifying conflicts, we take the following into consideration:

- 🌳 Is there likely to be a financial gain or avoidance of a financial loss at the expense of a client;
- 🌳 Does the firm or staff member have an interest in the outcome of a service which is distinct from the client's interest in that outcome;
- 🌳 Is there a financial or other incentive to favour the interest of one client (or group of clients) over another client or clients;
- 🌳 Does the firm carry out the same business as a client;
- 🌳 Is there receipt of an inducement from a third party in relation to a service provided to the client in the form of monies, goods or services, that is different from the standard commission or fee for that service
- 🌳 Does the firm have substantial involvement in the creation of policies where it can influence pricing or distribution costs

Regulated activities carried out by Wise Investment that may give rise to conflicts of Interest.

- ☞ Execution of orders on behalf of clients
- ☞ Portfolio management
- ☞ Independent financial advice

Potential Conflicts of Interest

We take our responsibilities to our clients very seriously and always treat our clients in a transparent and fair manner. We will always consider if our action adversely impacts them regardless of the client type, be it, Retail, Professional or Eligible Counterparty. Taking into consideration all of the above, Wise Investment has identified the following areas that may give rise to a conflict of interest and, where possible, how these are managed:

☞ Inducements

- Gifts and hospitality - The giving or receiving of gifts or hospitality by or to our staff may create the appearance of impartiality.
- We mitigate this risk by having a policy in place that all gifts and hospitality above £50 are logged and approved by the Compliance Officer

☞ Personal account dealing

- Individuals may be in receipt of non-public information that should they trade in a personal capacity be to the detriment to the market and/or our clients. In addition, for more illiquid assets, a personal deal may impact on the ability of trades on behalf of our clients to complete in a timely manner.
- There is a policy in place for anyone in the firm that wishes to trade for personal purposes which includes recording the trade, providing a copy of the contract note and gaining prior approval from the Compliance Officer.

☞ External Activities

- Wise Investment employees may hold positions outside the firm such as directorships, trusteeships or other offices of influence. These external positions may create conflicts with the best interests of Wise Investment clients.
- Wise Investment has a policy in place for employees to disclose and obtain pre-approval before commencing any such activity. In addition, directors (including non-executive directors) of Wise Investment are required to declare any conflicts of interest in accordance with their director's duties.

☞ Order Execution and Allocation

- Wise Investment have 2 distinct client services. 'Discretionary' where Wise Investment have the mandate to make investment decisions on behalf of the clients and 'Advisory' where we need to gain explicit instruction from the client to deal on their behalf. Where portfolio changes are made, discretionary clients will be acted on immediately and therefore may receive a better price than the 'Advisory client' where the deal cannot be placed until authorisation is gained. Once authorisation is gained we will place the order as soon as possible.

- Clients may be disadvantaged by using a Wise Investment favoured broker. Wise Investment do not trade directly with any broker but instead transmit market orders to Pershing who act as the Custodian to our clients who in turn will place the deal on our behalf. Both Wise Investment and Pershing have Best Execution policies in place. These can be found on our website.
- In the ordering and allocation of trades, one client may be disadvantaged over another for a purchase or sale in the same asset on the same day. The conflict arises where different prices were gained on the different trades, therefore one or some clients may be disadvantaged due to receiving a less favourable price.
- To mitigate this scenario the trades will be aggregated at the point of placing the trade and then once the trades have been dealt in the market each client account will receive a proportionate allocation with no favouritism to any client.

Remuneration

- A client may be recommended services or products based on commission or sales targets set by the company rather than being in the best interest of the clients.
- To mitigate this, no employee has sales targets or receives commission for the products or services the clients participate in. Staff are rewarded via a salary and discretionary bonuses based on the general profitability of the firm. It is the service to our clients that is important, and we therefore regularly monitor and supervise our staff's activities including advice given to clients, the frequency of transactions and the ratio of fees earned against value of assets under management.

Receipt of non-public material information

- Wise Investment predominantly invests in open ended mutual funds but from time to time will invest in other financial instruments. There are occasions where an employee of Wise Investment is made aware of information that is not public regarding an asset that is held in a fund or portfolio, there is a risk of conflict should Wise Investment or the person who is aware of the information use it inappropriately for personal gain or gain of the company or the services it runs.
- We mitigate this risk by having physical and electronic information barriers in place preventing the exchange or misuse of the information that has been given. An individual wishing to undertake personal account dealing must first seek approval from the Compliance Officer. All non-public information is recorded by the Compliance Officer and where appropriate, a ban on trading across the firm is put in place until such time the information is made public.