



Conflicts of Interest

1. Material interest and potential conflict of interest

Where a firm acts for more than one client, there is a risk of a conflict of interest arising. Conflicts may also exist between the interests of a firm, including Persons connected with it, and the interests of clients. Under FCA's Principle for Business, Principle 8 (Conflicts of interest) Kingswood 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. Kingswood is therefore required to implement and maintain effective conflicts of interest policy suited for its company size, scale, nature, and complexity.

Our firm maintains a Conflicts of Interests Policy that identifies the circumstances that constitute or may give rise to a conflict of interest. Further, Kingswood take all appropriate steps to identify conflicts of interest between managers and staff, and our clients, and between one client and another client, which arise or may arise.

There is an expectation at Kingswood that staff act in the best interests of each individual client. Moreover, Kingswood staff members are required to comply with a policy of independence and only regard the client's interest when making recommendations or carrying out transactions on the client's behalf. In respect of the business that we conduct, the procedures we follow and measures we adopt include at least the following:

- (i) 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;
- (ii) the separate supervision of persons whose principal functions involve carrying out activities, or providing services to, clients whose interests may conflict, or whose interests may conflict with the interests of our firm;
- (iii) measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out services and activities, and to prevent or control the simultaneous or sequential involvement of relevant persons in separate services or activities where such involvement may impair the proper management of conflicts of interest; and
- (iv) a policy of the removal of any direct link between the remuneration of persons principally engaged in one activity and the remuneration of, or revenues generated by, different persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities.

Where conflicts cannot be avoided or prevented, the firm has the responsibility to manage, monitor and (where applicable) disclose those conflicts of interest in order to prevent them from adversely affecting the interests of clients.

For your information we set out below the details of certain specific areas of conflict and controls.

Personal Account (PA) Dealing for Employees

All employees are required to adhere to the firms PA dealing policy. This is in place to ensure that any such dealing does not involve conflicts of interest or misuse of insider, proprietary or client confidential information, and that clients are not disadvantaged because of these dealings.

Gifts & Hospitality (G&H)

A G&H policy is in place to ensure that gifts and hospitality given or received are justifiable in all circumstances and unlikely to influence the professional judgement and responsibility. The Compliance team maintain a log of all G&H.

Outside Business Interests (OBI)

Employees are not permitted to engage in outside employment where this presents any conflict to the firm without prior approval from Compliance. The firm maintains an OBI policy outlining the types of role that result in potential or perceived conflicts.

Order Execution

The firm may combine a transaction for clients with orders of other clients. Where this occurs, it is purely to assist in the execution of the order. The firm has an order execution policy in place to ensure fair treatment of all clients where this situation occurs.

Providing Advice on in-house Investment Solutions

The firm may gain financially if in-house investment solutions are used by clients under advice or via discretionary investment management. Kingswood provides restricted advice which is clearly disclosed to clients before undertaking business with the firm. Compliance controls are in place to monitor the suitability of advice, with advice files checked on a regular basis.

The Investment Policy Committee ensures that any allocation to these funds is by way of merit and is subject to the same level of review and challenge as third-party funds. The level of allocation is closely monitored with additional oversight via the Investment Oversight Committee.

Related Party Transactions

Where the firm or its parent company Kingswood Holdings Limited is involved in any transactions with related parties (e.g. those under common or related ownership), these are disclosed in line with AIM listing rules.

AIM rule 13 specifies that a company must issue a notification without delay outlining the terms of a transaction with a related party.

This includes the name of the related party concerned and the nature and extent of their interest in the transaction. The company must also confirm that (with the exception of any director who is involved in the transaction as a related party), its directors consider the terms of the transaction to be fair and reasonable insofar as its shareholders are concerned.

Client Requests

The close relationships between wealth planners and their clients may result in situations where a client invite a Wealth Planner to act as a trustee or executor or another similar role on their behalf. Where this occurs, it may represent a conflict of interest and therefore should be notified to the Compliance department for review.

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