

CONFLICT OF INTEREST - SUMMARY

Fair treatment of clients

The Collins Stewart group (Collins Stewart) conducts its business according to the principle that it will manage conflicts of interest fairly, both between itself and its clients and between one client and another.

Systems and Controls to manage conflicts of interest

As an international group which has offices in various locations, including: the UK, the USA and the Channel Islands, we face actual and potential conflicts of interest from time-to time. We have, therefore, put in place appropriate procedures, systems and controls to identify, prevent (where possible) and manage conflicts of interest that pose a material risk of damage to a client's interest.

What is a conflict of interest?

A conflict of interest occurs when an investment services firm such as Collins Stewart, carries out activities, either for a client or for its own account, which may conflict, or appear to conflict, with the interests of another client, or group of clients, if those activities are not appropriately organised and controlled.

How and why do conflicts of interest arise?

As we provide stockbroking, corporate advisory and wealth management services for our clients, there is some scope for conflicts to arise. In order to manage and prevent conflicts of interest, the firm maintains effective organisational and administrative arrangements including a system of Chinese Walls (used to restrict access to confidential information) to ensure that conflicts are properly managed.

What happens if we have conflicts of interest?

Our first priority is to identify conflicts of interest and wherever possible, prevent them. If it is not possible to do this, we take all reasonable steps to mitigate them. In the event that conflicts of interest cannot be prevented, we may nevertheless enter into transactions on behalf of clients, where we believe it is in the client's best interests to do so.

In certain circumstances, where a conflict remains, we will seek the relevant client's consent to allow Collins Stewart to act ensuring that the client has sufficient information to enable it to make an informed decision.

Examples of the general nature and sources of conflicts that exist, or might exist, are given below. In most instances with regard to the examples of conflicts given below, we would not feel it necessary to make prior reference to a client before entering into a transaction with that client.

We also reserve the right to decline to act for clients where this would be, in our reasonable belief, the most appropriate way to manage the conflict.

Sources of conflicts of interest

The following are some non-exhaustive examples of the type of interest, relationship, or arrangement that could arise, Collins Stewart:

- being the financial adviser or broker to the company whose securities clients are buying or selling, or acting for that company in any takeover bid by or for it;
 - having a holding or a dealing position in the investment concerned;
 - engaging in business and trading activities for the firm's own account and/or client accounts, whilst other clients are active in relevant markets or otherwise interested at the same time;
 - receiving payments or other benefits for giving business to the firm with which a client's order is placed;
 - acting as the manager, investment adviser, or custodian of a collective investment scheme in whose units clients are dealing;
 - being controlled by, or control, or are under common control with the issuer of the investment concerned;
 - providing investment advice or discretionary portfolio management services to clients and recommending or selling products issued by the firm or its associates;
 - providing investment research in relation to an entity or group to which it is also financial adviser or broker.
 - dealing as principal for our own account by selling the investment to clients, or buying it from clients, or
 - matching one client's transaction with that of another client by acting on behalf of both clients.
- This includes us, from time to time, acting as a market maker in the investments that are the subject of a transaction with clients.

We, or a company within the Collins Stewart group of companies (an "associate") may make a profit or loss whilst undertaking these roles. We may enter into transactions on a client's behalf under which a client will sell an investment in which we, or an associate may have had an interest during the previous 12 months.

Further information

If you would like further information about our conflicts management policies and procedures, please contact the Collins Stewart Compliance Officer