

# Ascentric **Conflict of Interest Policy**

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Ascentric is a trading name of Investment Funds Direct Limited (IFDL), registered in England and Wales number 1610781 and authorised and regulated by the Financial Services Authority No.114432.

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IFDL is a subsidiary of The Royal London Mutual Insurance Society Limited, registered in England and Wales number 00099064.

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# 1. Overview of Ascentric's Conflict of Interest Policy

## 1.1. Background

Ascentric delivers a 'whole of market' wrap service, via financial intermediaries such as IFAs, to a wide range of clients and in so doing utilises a wide range of third party product partners.

The purpose of this policy is to summarise the potential conflict of interest arising in the course of business between Ascentric, its employees, its partners and its clients, that could significantly impact the interests of Ascentric's clients in the absence of adequate controls.

## 1.2. Key Considerations

There are several ways that a conflict of interest can arise. Key considerations include:-

- » Can Ascentric make a financial gain or avoid a financial loss at the expense of the client?
- » Does Ascentric have a financial or other incentive that favours the interest of one or more clients over the interest of another client?
- » Does Ascentric provide a comprehensive wrap service with transparent pricing structure that allows clients to select from alternative offerings?

## 1.3. Policy

Ascentric has chosen to manage the following potential conflicts of interest by the use of appropriate systems and controls. These take the form of individual policies and processes. The aim is to ensure that accurate records are maintained of all situations where the potential for a conflict could arise.

Where necessary, Ascentric maintains arrangements which restrict the flow of information to certain employees in order to protect client interests and to prevent improper access to the client information.

It is the policy of Ascentric to disclose any interests that could potentially conflict with our duties. Should our procedures and controls not be sufficient to ensure that a potential conflict of interest does not damage a client's interest, we would disclose the issue to the client. We may decline to act in circumstances where there is a risk of damage to the interests of any client.

# 2. Potential Conflicts

## 2.1. Personal Dealing

Employees who are exposed to information (for instance in respect of pending transactions in securities) could use such information to carry out transactions for themselves in the same security to acquire financial benefit.

### Control

With the exception of deals involving collectives, discretionary managed accounts and life policies, all employees of Ascentric who are exposed to such information are required to obtain prior written authorisation to undertake a trade in a transferable security on the Ascentric platform.

Written approval must be obtained from appropriate senior management within Operations and/or Risk & Compliance. A log of transactions is maintained and this is reviewed regularly by the Executive Board

## 2.2. Order Handling

The processes involved in the execution of trades could prioritise pending trades for one client or more clients which may disadvantage other clients.

### Control

FSA rules require us to treat customers fairly and Ascentric takes all reasonable steps to obtain the best possible result when orders to buy or sell are transmitted for execution on behalf of customers. Deals in collectives are transacted at the next valuation point (if received within certain time limits). Deals in respect of other tradable securities such as equities are transacted as received subject to obtaining a price from the relevant market maker(s).

## 2.3. IFA Considerations

In selecting of a wrap platform, the IFA must reflect on the FSA's stated position that "intermediaries should consider any constraints a platform imposes and whether the platform is therefore appropriate for them and their customers".

### Control

Ascentric's policy of providing a 'whole of market' offering with transparent pricing structure eliminates the potential conflict of interest inherent with other platform providers that either restrict the choice of suitable products to those offered by the platform provider or which maintain bundled and opaque remuneration structures.

Historically, IFDL has offered share options in IFDL as an incentive to IFAs joining the platform during its establishment period. This has been discontinued for new IFAs joining the platform. Under the scheme, an IFA can receive share options

in IFDL in relation to the amount of business placed with Ascentric. This is declared by the IFA to the client at the outset and has no effect in the cost to a client of the wrap service.

Ascentric's policy of providing a 'whole of market' offering with transparent pricing structure eliminates the potential conflict of interest inherent with other platform providers that either restrict the choice of suitable products to those offered by the platform provider or which maintain bundled and opaque remuneration structures.

## **3. Conflicts of Interest Policy Review & Monitoring**

### **3.1. Ongoing review and monitoring**

We will keep the Conflicts of Interests Policy and all associated policies referred to under continual review and carry out a formal review annually. Additionally, our approach to compliance with the various policies will be regularly monitored to ensure that our clients are properly protected.