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## CONFLICT OF INTEREST POLICY

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## **1. The Company**

DYNAMIC MARKETS is the registered trade mark of GLOBAL DYNAMIC MARKETS LIMITED.

References to the term “Company” throughout this policy relates to Global Dynamic Markets Limited.

The Company is duly incorporated under the laws of the Republic of Mauritius and bears Company registration number 179025 GBC. The Company is duly licensed by the Financial Services Commission of Mauritius and hold an Investment Dealer (Full Service Dealer, excluding Underwriting) licence with licence number GB21026278. The Company operates as an Investment Dealer.

The Company registered office address C/o Accuvise Administrators Ltd, 7A Mayer Street, Port Louis, Republic of Mauritius.

## **2. Identifying Conflicts of Interest**

### **Introduction**

Principle 3 of the 9 (nine) Guiding Principles of the Code of Business Conduct (the "Principles") requires the Company to pay due regard to the interests of each customer and to manage any conflicts of interest fairly, both between itself and its customers and between a customer and another.

Senior Management of the Company must identify and document periodically the key conflicts and potential conflicts it faces in its day to day business and report the finding and all the actions taken.

For the purposes of identifying the types of conflicts and potential conflicts that arise, which may entail a material risk of damage to the interests of a client, the Company must take into account whether the Company or a relevant person, or a person directly or indirectly linked by control to the Company:

1. is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
2. 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 client's interest in that outcome;
3. has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
4. carries on the same business as the client; or



5. 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.

We must not knowingly advise, or deal in the exercise of discretion, in relation to that transaction unless we take reasonable steps to ensure fair treatment for the customer.

This is normally achieved by managing the conflict of interest by taking reasonable steps in one or more of the following ways:

1. managing the conflicts internally; or
2. establishing special arrangements such as a Chinese wall; or
3. disclosing our interest to the customer;
4. declining to act for a customer.

### **3. Avoidance of Conflict**

Where possible, the Company seeks to organise its business activities, including external arrangements, such as to avoid conflicts. Where conflicts are unavoidable, the Company ensures appropriate policies, procedures and controls are developed ahead of the arrangement giving rise to the conflict. Where the Company is not reasonably confident that the interests of a Client will be adequately protected, the Company will clearly disclose the general nature and/or sources of conflicts of interest to the Client before undertaking any business.

Where conflicts are unavoidable, the Company develops both formal and informal procedures for their management. Such procedures are designed to ensure that the management of the conflict takes place in such a way that the Company or its employees are not advantaged and that no client is disadvantaged.

### **4. Managing Conflicts**

The Company may be able to demonstrate that it has taken reasonable steps to ensure fair treatment for its customers by relying on this Conflicts of Interest policy. In such cases, relevant Employees are required to disregard any material interest or conflict of interest when advising a customer. If considered appropriate by the partners, the Company may, at its discretion disclose its material interest or conflict of interest to its customer.

The FSC requires the Company to identify all known conflicts within this policy along with the method of dealing with the conflict. The Company should pay special attention to the activities of investment research and advice, proprietary trading, portfolio management and corporate finance business, including underwriting or selling in an offering of securities and advising on mergers and acquisitions. In particular, such special attention is appropriate where the



Company or a person directly or indirectly linked by control to the Company performs a combination of two or more of those activities.

The measures for dealing with conflicts will be designed to ensure that relevant persons engaged in different business activities involving a conflict of interest carry on those activities at a level of independence, appropriate to the size and activities of the Company and of any group to which it belongs and to the materiality of the risk of damage to the interests of clients.

Examples of types of procedures for managing conflicts

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

## 5. Chinese Walls

Another method by which the Company can manage conflicts of interest is to establish and maintain internal arrangements restricting the movement of information within the Company. This requires information held by a person in the course of carrying on one part of our business to be withheld from, or not to be used by, persons with or for whom we act in the course of carrying on another part of our business. Such an arrangement is referred to as a Chinese Wall.

The Company has adopted the following rules with regard to Chinese Walls:

- (1) when the Company establishes and maintains a Chinese wall it may:
  - (a) withhold or not use the information held; and
  - (b) for that purpose, permit persons employed in the first part of its business to withhold the information held from those employed in that other part of the business;



(c) but only to the extent that the business of one of those parts involves the carrying on of regulated activities or ancillary activities.

(2) information may also be withheld or not used by the Company when this is required by an established arrangement maintained between different parts of the business (of any kind) in the same group. This provision does not affect any requirement to transmit or use information that may arise.

(3) for the purpose of this rule, "maintains" includes taking reasonable steps to ensure that the arrangements remain effective and are adequately monitored, and must be interpreted accordingly.

#### Attribution of knowledge

Where the Company establishes and maintains a Chinese Wall, individuals on the "other side of the wall" will not be regarded as being in possession of knowledge denied to them as a result of the Chinese Wall.

Acting as outlined above does not amount to market abuse, making misleading statements or engaging in misleading practices.

## 6. Segregation of Duties

The Company strives to ensure that the performance of multiple functions by its relevant persons does not and is not likely to prevent those persons from discharging any particular functions soundly, honestly and professionally. Our policies concerning the segregation of duties within the Company and the prevention of conflicts of interest are laid out below.

The Company is aware that effective segregation of duties is an important element in the internal controls of the Company in the prudential context. In particular, it helps to ensure that no one individual is completely free to commit the Company's assets or incur liabilities on its behalf. Segregation also help to ensure that the Company's governing body receives objective and accurate information on financial performance, the risks faced by the Company and the adequacy of its systems.

The Company ensures that, in general, no single individual has unrestricted authority to do all of the following:

1. initiate a transaction;
2. bind the Company;
3. make payments; and
4. account for it.

Where the Company is unable to ensure the complete segregation of duties due to its limited Employee base, it has adequate compensating controls in place including the frequent review of an area by relevant senior managers.



The Company ensures that its relevant persons are aware of the procedures which must be followed for the proper discharge of their responsibilities.

The Company monitors and, on a regular basis, evaluates the adequacy and effectiveness of its systems, internal control mechanisms and arrangements in relation to conflicts of interest and will take appropriate measures to address any deficiencies.

## **7. Disclosing an Interest**

1. If arrangements made by the Company to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a client will be prevented, the Company will clearly disclose the general nature and/or sources of conflicts of interest to the client before undertaking business for the client.

2. The disclosure must:

- (a) be made in a durable medium; and
- (b) include sufficient detail, taking into account the nature of the client, to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest arises.

Disclosing an interest to a customer would normally be required where the Company has an interest in a transaction on which it is advising or where the Company derives, or will derive, consultancy, non-executive Partner or other fees from customers involved in a transaction.

Disclosure of a material interest or conflict of interest to a customer must be made in writing. Oral disclosure is to be avoided. Disclosure must be made before we advise our customer on a transaction and we must be able to demonstrate that we have taken reasonable steps to ensure that the customer does not object to our material interest or conflict of interest.

## **8. Declining to Act**

If the Company determines that it is unable to manage a conflict of interest using one of the methods described above, we should decline to act on behalf of the customer concerned.

## **9. Conflict Monitoring**

The Company has a number of controls, mainly focused on the business and operational activities, to detect conflict situations as they arise. In addition, the Company's compliance function shall perform a number of tests aimed at detecting and reviewing conflicts of interest. Crosschecks in relations to trading, portfolio management and advisory activity, CTPs, clients involved is recurrently performed. These tests may also be periodically performed by independent consultants from time to time and reported to management.



**10. Education and Awareness**

All members and Employees of the Company shall receive both formal and informal training in respect of conflicts of interest generally and the specific conflicts and potential conflicts of the Company and those to which an Investment Firms are subject.

**11. Impact of and Mitigating/Eliminating Conflicts**

Set out below are the potential conflicts likely to arise from the activities of the Company (including possible future activities), possible detriment and mitigation.

Potential Conflict	Possible Detriment	Mitigation/Elimination
<b>1) Remuneration</b>	<b>Detriment to: All Clients</b>	Any and all fees received relate to the service provided by the Company. Clients are aware of any third-party payments that are made, if any.
<b>2) Close family members are working for clients/counterparty of the Company.</b>	<b>Detriment to: The end clients of that client/counterparty</b>	<p>The Company's CEO and CO oversee any transactions that occur between the Company and all counterparties.</p> <p>All fees and remuneration are pre-approved by the CEO and is fully recorded for review purposes.</p> <p>The Company ensures that all transactions carried out are reflective of the market rates and are not unfairly favourable/unfavourable to any particular client/counterparty.</p>
<b>3) Personal account dealing of traders</b>	<b>Detriment to: All Clients</b>	The Company's traders may have personal dealing accounts which





<p><b>of the Company</b></p>		<p>may hold positions in securities that they are recommending as part of the structure of notes to clients.</p> <p>The Company keeps a record of the personal trading accounts declared by the sales staff and require that a statement be sent to the CO whenever a trade occurs on the personal account.</p> <p>The CO is then able to monitor and deal with the conflict, if any are detected.</p>
<p><b>4) Gifts and Inducements (Client side)</b></p>	<p><b>Detriment to: Clients</b></p>	<p>The Company has a two-tier system for monitoring gifts and inducements, and keeps a view of all client entertainment expenses or gifts given/received by the traders.</p> <p>It is not uncommon for the Company to take clients out for meals during client meetings, but this is monitored in order to see if any one particular client is receiving or giving entertainment that excessive and disproportionate.</p> <p>CO approves all expenses and is able to detect and review such instances.</p>



<p><b>5) Gifts and Inducements (service provider side)</b></p>	<p><b>Detriment to: Clients</b></p> <p>The Company shall have relationships with IFA, Investment Managers and Custodians. If there is undue entertaining or gift purchasing inherent bias could show up</p>	<p>Where any gifts/entertainment is provided to/received from a brokerage/investment manager or similar service providers, the Company takes a stricter approach to the amounts and circumstances that are considered reasonable. This ensures that no biases occur in terms of execution venues occur to disrupt The Company’s ability to provide our services in accordance with our best execution policy.</p> <p>All gifts and expenses given or received over £20 must be notified in the <b>Gifts &amp; Entertainment Register</b>, and must be accompanied by a suitable justification for propriety.</p>
<p><b>6) Best Execution</b></p>	<p><b>Detriment to: Clients v Service Providers</b></p> <p>The Company, when taking an investment decision over a client managed account portfolio, may pass an order to another broker or to the clients’ custodian</p>	<p>The Company will ensure Custodian’s execution policy factors such as a priority on Price match with the Company.</p> <p>This results in clients viewing the Company’s Quality of Execution disclosures ensuring consistency with their service provider.</p>



<b>7) Outsourcing</b>	<b>Detriment: Clients</b>  The Company will in no circumstances delegate any critical services to another provider	The Company will never delegate portfolio management of a client mandate.
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**12. Conflicts of Interest Log**

Identified Conflict	Procedures for Dealing with this Conflict
	eg. Disclosure, Chinese Walls, specific Internal Procedures