

Conflicts of Interest Policy

(Customer Summary)

Marlborough Group

November 2023



Marlborough

01. Purpose and scope of the policy

This document is designed to provide our customers with an understanding on how the Marlborough Group maintains and operates effective organisational and administrative arrangements, taking all reasonable steps to prevent a conflict from adversely affecting the interest of its customers.

The below firms, in the Marlborough Group, are required by The Financial Conduct Authority (“FCA”) to establish and maintain effective systems and controls to identify potential conflicts of interest and to prevent them from creating the risk of damage to customers’ interests.

Investment Fund Services Ltd - FCA reference number: 464193

Marlborough Investment Management Limited - FCA reference number: 115231

Marlborough Select Platform Limited - FCA reference number: 756360

For the purposes of this policy, these entities are collectively referred to as ‘us’, ‘we’, ‘our’, ‘firm’ ‘Marlborough Group’ or ‘Group’.

In order to support a consistent approach, we have collaboratively put in place a Group Conflicts of Interest Policy together with appropriate controls which all staff and people linked to the Marlborough Group are required to follow to ensure that the interests of customers are protected.

Our ethos, policy and controls are summarised in this policy, which has been written to provide customers with an overview of how the Marlborough Group combat the risk of any conflicts of interest affecting our customers.

The FCA considers the identification and management of conflicts of interest to be of the upmost importance to the integrity and effective management of a firm. Indeed, one of the FCA principles for business focuses on this. ‘A firm must manage conflicts of interest fairly, both between itself and its customers and between customers and another client’.

The FCA (within their guidance in SYSC 10.1.5) describes circumstances which should be treated as giving rise to a conflict of interest to include, ‘where there is a conflict between the interests of the firm or certain persons connected to the firm or the firm’s group and the duty the firm owes to a client; or between the differing interests of two or more of its clients, to whom the firm owes in each case a duty’.

For us, this means that all reasonable steps should be taken to identify and manage:

- a conflict between the interests of Marlborough Group (including its regulated firms, Directors, employees or any person linked to the firm) and a customer; or
- a conflict of interest between two or more customers.

02. Regulatory Requirements

The Financial Conduct Authority (“FCA”) sets out COI obligations in their Handbook of rules and guidance, this Policy has been authored taking these into account.

03. Requirement of the policy

The Marlborough Group will identify circumstances which may give rise to conflicts of interest and potential conflicts of interest and will establish and maintain appropriate mechanisms and systems to manage those conflicts.

In the event that the arrangements made by us are not sufficient to prevent the risk of damage to the interests of the customers, we will disclose to the customer, before undertaking any business for that customer

- the nature and source of the conflict, and
- the steps which have been taken to mitigate any risks.

The disclosure will be made in a durable medium and will provide sufficient information to enable the customer to make an informed decision regarding the service offered. In the event of a conflict whereby the firm is unable to effectively manage the interest of the customer, we may consider declining to act for the customer where it is reasonable to do so to prevent damage to the customer.

Identifying conflicts of Interest

In the course of business, an actual or potential conflict that may arise could include:

- making a financial gain, or avoid a financial loss, at the expense of a customer;
- an interest, distinct from the customers’ interest, in the outcome of a transaction or service provided to, or on behalf of a customer;
- accepting gifts, hospitality, or an inducement which is considered to have an effect on the integrity of employees and conflict the interest of customers;
- the use of confidential information in a way which would be detrimental to the interests of our customers;
- ineffective segregation or prioritisation of duties within business areas which leads to a conflict of interest between the business areas that would distinct the interests of customers of one area over another.
- a remuneration structure which encourages employees to behave in a manner which would be detrimental to the interests of customers; or
- employees entering into directorships, employment or personal interests outside of Marlborough Group.

Managing conflicts of interest

We are required by the FCA to establish and maintain effective controls to identify potential conflicts and manage them to prevent them creating the risk of damage to customers’ interests. The Marlborough Group is committed to identifying such conflicts and preventing risk to our customers. Our controls are considered to be appropriate and managed effectively to mitigate risk to customers.

Policies and procedures

The Marlborough Group has established robust policies and procedures to manage potential conflicts of interest. The embedding of these procedures is the responsibility of Senior Management and are communicated via the documentation and training of these controls.

Our controls are regularly reviewed, and our processes are subject to independent review by Internal Audit and Compliance.

Personal account dealing

All Group employees are subject to our personal account dealing controls. These controls are focused on preventing staff from engaging in investment activity that may give rise to a conflict of interest or that may amount to market abuse.

Order execution

The processing of orders is subject to our execution policies, which aim to manage any potential conflicts and ensure orders are processed in order to receive the best possible outcome with consideration of the execution factors.

Remuneration

The Group's remuneration is subject to our remuneration policy. This includes measures to avoid conflicts of interest between the firm, employees and customers. Our remuneration is structured to meet the principles of the FCA's Remuneration Code.

Inducements, gifts and hospitality

A conflict of interest could arise where the firm provides or received a gift, hospitality or an inducement in the form of fees or commissions. The Group employees are required to adhere to our Gifts and Hospitality Policy and controls, which are embedded to prevent situations in which they have, or could have, an interest that conflicts, or potentially may conflict, with the interest of the firm or customers.

External employment and personal interests

The Group's employees, Directors or linked persons may have an outside business interest, employment, directorship or significant shareholding with an entity whose interest may conflict with their role at Marlborough Group, its business interests or the interests of its customers. The Group's employees, Directors and linked persons are required to adhere to our extended internal Conflicts of Interest Policy and disclose such interests, and where the conflict cannot be avoided, a conflict management plan must be put in place, to manage, monitor and regularly review the interest to prevent the conflict from causing any detriment to business or its customers.

Segregation of duties

A conflict of interest could arise between different business areas and entities functions. In order to mitigate this risk, the Group has identified areas where potential conflicts may occur, these are subject to a conflict management plan.

04. Reporting and management of conflicts of interest

When a conflict of interest or potential conflict of interest is identified it must be reported to Compliance. Where the conflict of interest cannot be prevented it must be managed appropriately and a conflict management plan (CMP) must be agreed, which is overseen by a Senior Manager. In the event that the CMP cannot reasonably mitigate the risk of detriment created by the conflict of interest, Compliance will independently oversee the disclosure of the conflict of interest to the affected parties.

05. Monitoring

Adherence to the policy and oversight of the agreed CMPs will be reviewed by Compliance on a periodic basis.

06. Training

All Group employees, Directors and linked persons are provided with periodic training on conflicts of interest.

07. Breaching the policy

Any employee who fails to comply with the Group's conflict of interest policy and controls may be subject to further action. Where the failure to comply results in detriment, the conflict of interest will be independently considered by Compliance who will determine the requirement for disclosure to any affected parties.

The Group has Whistleblowing channels in place and any employee can escalate any incidences where they become aware that conflicts of interest are not appropriately being addressed via these channels, which are documented in the Group Whistleblowing Policy.