

BCWM

Terms of Business



## BCWM Terms of Business

This document sets out the Terms of Business under which we provide services to clients.

Our service terms include and incorporate the Terms of Business set out below together with the Schedule of Fees and Charges (Appendix 1), Client Asset Key Information Document (Appendix 2), Conflict of Interest Policy (Appendix 3) and Best Execution Policy (Appendix 4) (together, the 'Terms'). It is important that you read these Terms of Business carefully. In addition, specific terms may apply as agreed with you; or may apply to a particular investment or pension structure provided to you, you should consider these specific terms carefully before proceeding. Where there is any inconsistency between these Terms and such specific terms and conditions relating to a particular investment, the provisions of those specific terms and conditions will apply.

When becoming a client of BCWM, you will be asked to sign your acceptance of the Firm's Terms of Business (either on a portfolio opening application form or engagement letter). From time to time the Terms may be updated to reflect regulatory or other changes. The applicable Terms are available to you at all times on our website ([www.bcwm.ie](http://www.bcwm.ie)). These Terms of Business shall apply to all new and existing clients accepted on and from 1 January 2021.

### Format

The Terms of Business below are laid out under the following headings:

- 1) Definitions and Regulatory Information**
- 2) Our Service Lines and Obligations**
- 3) Holding Client Assets**
- 4) Arranging Investments**
- 5) Communications and Record Keeping**
- 6) Fees and Charges**
- 7) Warnings and Disclosures**
- 8) Contract Information**

### APPENDICES

- 1) Fees and Charges**
- 2) Client Asset Key Information**
- 3) Conflicts of Interest**
- 4) Best Execution**

## 1. DEFINITIONS AND REGULATORY INFORMATION

### 1.1 Definitions

#### Account

Account shall refer to the portfolio of any client for whom BCWM holds assets where the client is the beneficial owner. The terms “account” or “portfolio” may be used interchangeably. A client may have more than one account. Our portfolio types include

- Private client investment accounts for personal, corporate and pension investors
- pre-retirement pension structures: Small self-administered pension schemes (SSAPs) and Personal Retirement Savings Accounts (PRSAs) Buy Out Bonds (BOBs) /Personal Retirement Bonds (PRBs)
- post-retirement pension structures: Approved (minimum) retirement funds (A(M)RFs) and Vested PRSAs

#### Application Form

The form is to be completed in order to open a BCWM portfolio. By signing the form the client accepts the terms and is in agreement to be contractually bound by these terms of business.

See portfolio types above.

#### CAKID

Client Asset Key Information Document which sets out how the firm holds client assets and the related risks.

#### Client Assets

This refers to all client assets held by the Firm on behalf of clients including those subject to the Central Bank’s client asset regulations; being MiFID Financial Instruments and cash held for investment in MiFID Financial Instruments.

#### Central Bank

The Central Bank of Ireland being the financial regulatory authority in Ireland by which the Firm is authorised.

#### Business Address

Marine House, Clanwilliam Place, Dublin D02 FY24  
D: +353 1 9060253 T: +353(0)1 9060250  
www.bcwm.ie

#### Close of Business

Our office closes at 5.30pm Monday to Friday.  
We are closed public holidays.

#### Engagement Letter

Contract for services where you do not require a BCWM portfolio.

#### MiFID II

The Markets in Financial Instruments Regulation (Regulation 600/2014) and S.I. No. 375 of 2017 European Union (Markets in Financial Instruments Regulations).

#### Portfolio

Portfolio shall refer to the account of any client where BCWM holds assets and where the client is the beneficial owner. The terms “account” or “portfolio” may be used interchangeably. A client may have more than one portfolio.

#### Portfolio Valuation

A document setting out the estimated valuations of assets held in your portfolio that will be provided to you at least annually.

#### Services

Refers to all services referred to in the Terms of Business and including:

- Financial planning
- Asset management
- Business advisory
- Custodianship, trusts and transaction support
- Self directed pension structures retirement planning
- Personal financial planning

#### Terms

Terms shall refer to the Terms of Business set out in this document together with any Appendices, the Schedule of Fees & Charges, Client Asset Key Information Document, Conflict of Interest Policy and Best Execution Policy and any additional terms which may be agreed between us.

Any reference in these Terms to ‘you’ and ‘your’ includes any joint account holder and includes your personal representatives, permitted assigns, novatees and successors.

Any reference to ‘BCWM’, ‘the Firm’, ‘we’, ‘us’ and ‘our’ means BCWM plc, and includes our successors and assigns.

In these Terms, headings are for convenience only and are not to be taken into account when interpreting these Terms.

## 1.2 Our Regulatory Status

BCWM is an independent wealth management firm, regulated by the Central Bank of Ireland. Our registration number with the Central Bank is C55163. Our company registration number is 418055. We are authorised by the Central Bank as a MiFID investment firm to provide the following regulated services:

- Investment advice
- Receipt and transmission of orders
- Portfolio management

In addition we are authorised to conduct investment research as an ancillary service and are authorised to hold client assets.

Full details of the Firm's regulatory status, including details of the financial instruments and investment instruments where we are authorised to research, recommend and receive and transmit orders, are available on the Financial Service Provider register on the Central Bank of Ireland's website at [www.centralbank.ie](http://www.centralbank.ie).

For the provision of certain products and services, including PRSAs, trackers and life assurance policies, we are subject to the Central Bank's Consumer Protection Code which offers protection to consumers. The Consumer Protection Code can be found on the Central Bank's website at [www.centralbank.ie](http://www.centralbank.ie).

BCWM must comply with the following legislation which is not exhaustive, details can be found on [www.centralbank.ie](http://www.centralbank.ie)

MiFID, CRR & CRD IV, Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, as amended by Criminal Justice Act 2013 and Criminal Justice Act 2018, Client Asset Requirements, Corporate Governance Requirements, Investment Intermediaries Act 1995, Investor Compensation Act 1998, Minimum Competency Code, Consumer Protection Code, Fitness and Probity Standards

The Firm is regulated by the Pensions Authority in respect of its role as a PRSA provider and a Registered Administrator of Small Self-Administered Pension Schemes. The Firm is also authorised as a Qualified Fund Manager by the Revenue.

## 2. OUR SERVICES LINES AND OBLIGATIONS

The Firm provides the following services:

- Financial planning
- Asset management
- Business advisory
- Custodianship, trusts and transaction support
- Self directed pension structures retirement planning
- Personal financial planning

### 2.1 Service Level

The Firm will open accounts which will be designated by Service Level. For regulated investment services the level of service defines the obligations and responsibilities of the Firm as prescribed in the MiFID Regulations. This is agreed at the outset and defines the level of responsibility taken by the Firm and by you as a client. The various service levels are defined below. You may change the level of service at any time by notifying the Firm and obtaining written agreement from the Firm:

- Advisory
- Discretionary
- Execution only

#### Advisory

Where you opt for an advisory service level you will retain the ultimate decision making authority. The Firm will be responsible for the provision of advice and assessing it for suitability and appropriateness. However, the Firm will only execute such advice on your express authority. Firstly, as we are obliged (and would wish) to provide advice that is suitable, we will ask you provide us with essential information about you and gain an understanding of your investment objectives, personal financial circumstances and your ability to bear any related risks and losses, and your knowledge and experience to understand the risks. This information may be gathered through written documents and through discussion and it shall be reviewed each time investment advice is provided to you. A Suitability Report which summarises why we think investment advice is suitable for you, based on your personal circumstances will be issued to you in written form each time investment advice is provided to you. We aim to meet all advisory clients annually to provide investment advice. If we have not met you during a 12 month period, we will ask you to notify BCWM if there have been any changes in your financial circumstances or investment objectives, and we will issue you a Suitability Report. BCWM offers independent investment advice under MiFID II and as such, we are obliged to disclose to you why the investment advice is independent.

BCWM plc is regulated by the Central Bank of Ireland. BCWM plc is authorised as a Qualified Fund Manager by the Revenue.

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Ultimately the decision to execute any of the recommended transactions is the clients and following receipt of our investment advice, you must instruct us accordingly. In cases where a financial instrument recommended to you incorporates a guarantee by a third party; we will provide information on the guarantor and the guarantee to enable you to make a fair assessment of the guarantee.

We will act as your agent in any dealings with product providers, stockbrokers, and other third parties where appropriate.

**Warning:** Occasionally, Advisory clients may instruct us to execute trades which have not been on foot of investment advice provided by BCWM. In such cases, BCWM will facilitate this trading instruction at your request. However BCWM is not obliged to assess the suitability of the investment for you and will not complete a suitability assessment for this investment. You would therefore not benefit from the protection afforded to clients for whom we must assess suitability or appropriateness but you are protected by the conflict of interest policy as outlined in these terms.

### Discretionary

Where you opt for a discretionary service level the Firm will retain the ultimate decision making authority within the parameters agreed with you at the outset. The Firm will be required to assess such advice for suitability and appropriateness and is obliged to consider your circumstances.

Where you elect discretionary portfolio management, we will have full control and will make investment decisions on your behalf without first informing you. These decisions will be made in agreement with the investment strategy agreed between us and you at the outset of our relationship and as amended in further consultation with you.

We must assess your ability to understand the risks arising from any discretionary service we offer and your ability to financially bear the associated risks. We will provide information which describes the nature of the specific type of instrument, prior to the provision of this service.

### Execution Only

Where you opt for an execution only service level you will be responsible for initiating all investment transactions. The Firm will not provide advice and will not be responsible for suitability and appropriateness for you unless you trade in certain complex instruments, as defined. Where you initiate a transaction on an execution only basis, the Firm will carry out the receipt and transmission of orders in accordance with its best execution policy. We provide a self-directed portfolio with custody and dealing services only. Where the portfolio is a pension structure, the Firm ensures the regulatory compliance of the pension. Your instructions in relation to your investments will be dealt with on an execution only basis and we will not provide investment advice to you. Please be advised that when you instruct us to deal in complex instruments on your behalf, we have a duty to assess the level of your knowledge and experience in dealing in complex instruments. We may proceed with such a service even if it is deemed inappropriate on your request to do so. However, in such circumstances we will warn you of our finding in advance of proceeding.

In terms of assessing appropriateness under MiFID II the following applies in respect of the receipt and transmission of orders:

(i) In dealing in non-complex financial instruments on your behalf:

**Warning:** Where we receive an instruction from you to buy or sell non-complex financial instruments on your own initiative i.e. without seeking our advice, or by opting for our custody and dealing service offering, please be advised that we are not obliged to assess the suitability or appropriateness of the investment for you. You would therefore not benefit from the protection afforded to clients for whom we must assess suitability or appropriateness but you are protected by the conflict of interest policy as outlined in this document. You will be responsible for your own investment decisions.

Note: a non-complex instrument is defined as complying with the following conditions:

- is not a derivative,
- is highly liquid,
- does not involve an actual or potential liability which exceeds the cost of acquiring the instrument, and
- adequate information on the instrument is publicly available and easily comprehensible.

Non-complex instruments include shares listed on a regulated market, money market instruments, bonds or other forms of securitised debt and units in a UCITS.

(ii) In dealing in complex financial instruments on your behalf:

Where we are dealing with the receipt and transmission of orders of complex instruments on your behalf under MiFID II we must identify the appropriateness of this service for you. Therefore, we have a duty to assess the level of your knowledge and experience in dealing in complex instruments. We may proceed with such a service even if it is deemed inappropriate on your request to do so. However, in such circumstances we will warn you of our finding in advance of proceeding.

Note: a complex instrument is defined as any instrument which does not comply with the above criteria set out for non-complex instruments.

**BCWM is not paid commission or fees by any investment funds or products which we recommend to our clients. We are independent of all investment product providers and all prospective investor entities. Any changes to the Firm independence will be disclosed to clients.**

We consider a broad and sufficient range of financial instruments including real estate, institutional equities, equity funds, bond funds, absolute return funds and cash. BCWM identifies the markets and sectors which will provide the best exposure and diversification within these asset classes. Examples of markets and sectors identified are various emerging and regional (developed and world) markets, ethical, infrastructure, small caps and mid to large caps, high yield funds, absolute return funds and various fixed income corporate and government funds. Our Investment Committee reviews and approves extensive list of funds which are included in investment recommendations to our clients.

Our advice to you is based on extensive ongoing consultation with you and is assessed for suitability for your particular financial and personal circumstances. The investments, as well as your circumstances, are monitored on an ongoing basis and we perform regular checks on the suitability of investments as well as performance of the investments relative to identified benchmarks.

Further detail on the research and selection criteria adopted by the firm in choosing suitable investment products to recommend to any individual investor is available on request.

## 2.2 Other Bespoke Services

For clients who do not require a portfolio we offer a wide range of bespoke financial planning and wealth management advisory services including investment advice, financial and tax planning, and retirement planning. Where these services include investment advice, our obligations are as set out under 2.1 above.

## 3. HOLDING CLIENT ASSETS

### 3.1 Your Investments

Our custody of client assets is carried out strictly in accordance with the Client Asset Requirements, which can be accessed on the Central Bank of Ireland's website at [www.centralbank.ie](http://www.centralbank.ie). Further details on how we hold client assets can be found in our Client Asset Key Information Document (CAKID) which forms part of our Terms of Business.

Registered investments purchased by us on your behalf will be registered in the name of BCWM or our appointed custodian, or, if otherwise agreed, in your name or that of your appointed custodian (broker or other intermediary). In the case of PRSAs, AMRF/ARF and Buy Out Bond portfolios, BCWM is required to be registered as the legal owner and custodian. Certificates or other title documents will be sent by us to you or the person nominated by you (in writing). Any bearer investments so sent will be at your own risk and at your expense.

Where we receive on your behalf, share certificates or other documents evidencing title to investments or other valuable documents, we may return them to you or retain for safe keeping.

We may from time to time, hold funds on your behalf. Such funds will be held in trust in a client-specific bank account, which is segregated from BCWM's own funds.

We will inform you if the third party has a security interest or lien over, or right of set-off in relation to your financial instruments or funds. Where client assets are held outside of the State the legal and regulatory regime which applies may differ from that applicable in Ireland.

## 3.2 Protecting Your Assets

We carry out due diligence on the third party providers, custodians and credit institutions we use, which we update regularly. However we do not accept liability for the acts, omissions or defaults in the event that the third party or credit institution becomes insolvent. Therefore, you may not receive back all or any of the funds that a custodian or credit institution holds on your behalf.

We are a member of the Investor Compensation Scheme, which provides compensation to eligible retail investors. You will only have a right to compensation if you qualify as an eligible investor; and if we are unable to return to you money or investment instruments that you are owed or own, and if your loss is recognised by the Investor Scheme. The amount of compensation you receive will be 90% of the net loss or €20,000, whichever is the lesser amount.

We have received written confirmations from all custodians holding client assets that our client asset accounts are legally segregated from each other and from any firm accounts that we may hold with the relevant institution. Furthermore the credit institutions have confirmed to us in writing that money they hold for our clients is not this firm's money but has been placed with them by BCWM for our clients, cannot be subject to a claim in respect of any money owed by us and is held in accordance with regulatory requirements.

## 3.3 'Special Position' of Investment and Real Estate Assets

You may request this firm to provide advice and administrative assistance in connection with the purchase, sale or letting of commercial or residential real estate assets. You should be aware of the particular position of such assets. For the purpose of investor protection, (including compensation fund protection) please note that real estate investment assets are not deemed to be financial instruments. Accordingly, you will have none of the protections normally available under investment business legislation. More importantly the Central Bank of Ireland does not regulate advice provided in relation to such investments.

## 3.4 Margin Payments

Where we arrange investments in contracts for difference, futures, options or other derivatives, please be aware that you may be required to make margin payments. This means that you may have to make further variable payments against the purchase price of the investment instead of paying or receiving the entire purchase or sale price immediately. The fluctuations in market price will affect the level of margin payment you will be required to make. Failure to make such payments may result in the closure of your open positions. Any assets will be disposed of or acquired as necessary for this purpose and you will remain responsible for any remaining balances owing by you arising from such transactions.

Please be advised that this type of investment is not suitable for many investors and is deemed high risk.

## 3.5 Client Funds

The money we hold on your behalf in accounts with credit institutions and custodians are held in accordance with the regulatory requirements of the Central Bank.

Our Firm operates a number of client asset accounts, held distinct from the Firm's own assets, where the account may hold the assets of more than one client in one account. Your funds may be held in these accounts which are designated as client accounts and operated in accordance with the Client Asset Regulations set out by the Central Bank. Assets held in such accounts are reconciled on a daily basis in the case of cash and monthly for all other assets to ensure all client funds are in place. Any shortfall in funding must be immediately reported to the Central Bank of Ireland.

In your best interests, we may move your money between credit institutions without advance notice or consent from you. Interest may be payable where funds are held in client asset deposit accounts. The rate of interest paid on client asset deposits will vary from time to time and between credit institutions with whom we place your money in accordance with the Firm's risk framework. We are under no obligation to notify you of any changes in the applicable interest rates. There is no regulatory obligation on us to ensure interest is payable on monies held on deposit in client asset accounts. However, we will seek to earn a competitive interest rate on monies held in client asset deposit accounts with eligible banks or credit institutions. BCWM will allocate any interest earned on deposits within five business days and in accordance with our Deposit Interest Allocation



policy. Further, negative interest may be charged by certain institutions on deposits held with them and such interest is applied and allocated between clients in accordance with the Allocation Policy.

### **3.6 Foreign Currency**

Where we deal in foreign currency on your behalf we may automatically exchange such foreign currency to the currency in which your portfolio is denominated unless otherwise agreed. Fees and costs arising from such transactions will be payable by you. BCWM will enter into such transactions with you or on your behalf, as principal or agent, at an applicable rate available to BCWM.

### **3.7 Corporate Events**

We will take reasonable steps to contact you about take-overs, other offers or capital re-organisations and exercising conversion and subscription rights, and will act on your instructions, provided we have been notified of the event by the relevant securities registration agent. In the event of us not being able to contact you to ascertain your instructions, we will apply the default option notified by the relevant securities registration agent.

We will not notify you of Annual General Meetings or Extraordinary General Meetings applicable to your investments, nor will we exercise any voting rights attaching to your investments unless you specifically request us to do so.

### **3.8 Vulnerable Clients**

BCWM will ensure that the vulnerable client is provided with such reasonable arrangements and/or assistance that may be necessary to facilitate them in their dealings with us. A client may be considered vulnerable if they have the capacity to make their own decisions but may require assistance to do so (e.g. hearing/visually impaired persons, or whose first language is not English) and/or they have limited capacity to make their own decisions and who require assistance to do so (e.g. persons with intellectual disabilities or mental health difficulties).

## **4. ARRANGING INVESTMENTS**

### **4.1 Conflicts of Interest**

It is our policy to observe and maintain high standards of integrity and fair dealing. Consistent with this we will take all reasonable steps to identify and manage conflicts of interest.

From time to time our Firm may have interests which are in conflict with our responsibilities to our clients or our client's interests. In order to ensure we maintain the highest ethical standards, our Firm has in place detailed controls and procedures to identify and manage potential or actual conflicts of interest. A summary of the main controls and procedures in place is set out in Appendix 3 - Conflicts of Interest and further details are available on request. Where organisational or administrative arrangements made by BCWM to manage conflicts of interest are insufficient to ensure, with reasonable confidence, that risks of damage to your interests will be prevented, BCWM will clearly disclose to you the nature and sources of the conflicts of interest.

### **4.2 Best Execution**

Best execution refers to BCWM's duty to take sufficient steps to obtain the best possible result for its clients when placing order outside exchanges with brokers and investment product providers. To do this, we have put together a policy and related procedures designed to achieve what we consider the best possible results. Information on our Best Execution Policy is set out in Appendix 4 – Best Execution. The current policy is available on our website. We are required to obtain your consent to our Best Execution Policy and to placing orders received from you or on your behalf that may be executed outside a trading venue. You will be deemed to have provided such consent when you give an order on or after 1 January 2021.

## **5. COMMUNICATIONS AND RECORD KEEPING**

### **5.1 Communication**

The language of communication between us and you will be English. We shall act on instructions given by you or any person you have nominated as long as you have advised us accordingly. We can accept instructions over the telephone, in writing or by email, (which will not take effect until actually received by us). If we receive instructions over the telephone, we will confirm these instructions in writing to you and may not act on them before we receive confirmation in writing from you. You should be aware that telephone calls to and from our office may be recorded.

We shall keep you (or the person you nominate) informed about the transactions arranged for you. We will send notice regarding the execution of transactions no later than the first business day following execution, or the first business day following the receipt of a confirmation from a third party. The obligation to send prompt notices to you does not apply where such confirmation is to be promptly dispatched by another person. Should we execute orders relating to shares or units in a collective investment undertaking periodically, we may report on the transactions every six months.

Where we hold financial instruments or funds on your behalf we will send you a statement of those instruments or funds at least quarterly which will disclose:

- (i) Details of all financial instruments or funds held at the end of the period covered by the statement
- (ii) The extent to which the instruments or funds have been the subject of securities financing
- (iii) The extent of any benefit that has accrued by virtue of participation in any securities financing transaction, and the basis on which that benefit was accrued.

If you have asked for our advice on any investments, we will give you the advice in writing. Please note that if we think it is appropriate, we may take advice from another person or entity.

You should be aware that telephone calls to and from our office may be recorded and a copy of these conversations will be available on request for a period of five years.

To enable us to provide these services to you, there may be occasions when we will need to contact you without your express invitation. For example, it may be in your interest to buy or sell a particular investment and we may contact you in such circumstances.

### **5.2 Electronic Communication**

E-mails may be used to enable us to communicate with you. As with any other means of delivery there is the risk that the communication may be inadvertently misdirected or non-delivery may occur. It is the responsibility of the recipient to carry out a virus check on any attachments received. You agree that such electronic communications shall constitute a "durable medium" for the purposes of the MiFID II Regulations.

As internet communications are capable of data corruption we do not accept any responsibility for changes made to such communications after their dispatch. If you receive advice from us by way of email, you have the right to request that the same information be sent to you in hard-copy.

All risks connected with sending commercially sensitive information relating to your business are borne by you and are not our responsibility.

If you do not accept this risk, you should notify us in writing that e-mail is not an acceptable form of communication.

### **5.3 Provision of Additional Information**

We may on occasion provide you with various pieces of information in terms of market commentary or other forms of generic information. Please be advised that such correspondence should be treated as general and not investment advice tailored to your specific needs.

## 5.4 Joint Accounts

Where we hold accounts in joint names we will be entitled to act on instruction of either of the named individuals. However, some instructions will require the signatures of all parties such as the reregistering of client assets into another name, or change of supplied address for payments.

For the purposes of this and other documents the definition of 'client' applies to all individuals including those who operate joint accounts.

## 5.5 Retention of Records

We will retain our working papers together with copies of schedules and other documentation (correspondence etc.) provided by you and others acting on your behalf for a period of at least six years. After this time we reserve the right to dispose of these records once the statutory period for retaining books and records has expired, which is currently six years. You must inform us in writing if you require retention of a particular document beyond six years.

We may choose to hold these documents where possible in electronic format. In this event we will ensure these documents are readily accessible should they be requested by you or an authorised individual

## 5.6 Privacy Notice

We will request personal information from you on application forms, in meetings with you, and from time-to-time we may request further information from you by email or letter. We use this personal data in order to provide the services agreed and for legal purposes such as carrying out suitability assessments on provision of investment advice and anti-money laundering checks. The legal basis for requesting this information is performance of a contract or for compliance with our legal obligations. We may share this information to the extent necessary with counterparties to transactions on your behalf or to parties providing services to us, on the understanding that they will keep the information confidential, regulatory bodies and other public bodies to whom we are obliged by law to disclose the information, in the case of a joint account, the other account holder, any other party to whom you have agreed we may disclose your information. You have a right of access under data protection legislation to the personal data that we hold about you.

The use and disclosure of your personal data may in certain circumstances involve the transfer of information to countries outside Ireland, including countries both within and outside the European Economic Area. Should your data be transferred outside the European Economic Area, we will require the entity to agree to provide the equivalent level of protection to personal data as applies under Irish law. Transfers to other countries will only be carried out: i) for the purposes specified in the paragraph above; ii) in accordance with your instructions and/or for purposes to which you have otherwise consented or; iii) as otherwise required by law or regulation. We may be required to collect, process and keep sensitive personal data in relation to you. This might include information relating to your physical or mental health. Sensitive personal data will only be obtained where necessary to process your application, administer and assess your account, or to comply with applicable law. Where you provide us with personal information relating to other people, such as your spouse, children, employees, advisors or other persons, you will ensure that the individuals in question are aware of the fact that we will hold information relating to them and that we may use it for the purposes outlined in this section. You have the right to request a copy of all your personal data held by us, rectify such data, request the restriction of processing the data, object to the processing of the data, request that data be erased, or have any inaccuracies in your personal data corrected. You may also request that we transmit your personal data to another data controller, where this is technically feasible. You may make any of these requests by writing to Data Protection Manager, BCWM, Marine House, Clanwilliam Place, Dublin D02 FY24. The data protection manager in relation to personal data about you is BCWM's Head of Compliance and Risk. BCWM plc is the data controller.

We are obliged to retain client identification and client transaction records of six years from the end of the client relationship or the date of the transaction respectively. Other information may be retained for no longer than necessary for the purpose for which it was provided to us or as required or permitted for legal, regulatory, fraud prevention and legitimate business purposes.

Your personal data will not be subject to automated decision making.

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If you are unhappy with BCWM's handling of your personal data, you have the right to complain to the Data Protection Commissioner at Canal House, Station Road, Portllington, R32 AP23, Co Laois.

The data protection manager in relation to personal data supplied about you is, Rosemary Brown the Head of Compliance and Risk of BCWM. BCWM is the data controller.

### 5.7 Client Identifier Requirements

Since 3 January 2018, we have used a client identifier to report all client transactions in financial instruments to the Central Bank of Ireland. It is important to note that if we do not have the correct client identifier for you, we will be unable to carry out a transaction on your behalf from this date.

For private individuals who are Irish, we will use a combination of your name, date of birth and nationality. If you are not Irish, depending on your nationality, we may also require details such as your passport number, or tax identifier. For entities such as trusts, corporate entities or charities, a Legal Entity Identifier will be required.

### 5.8 Complaints Procedure

If you would like to talk to us about how we could improve our service to you, or if you are dissatisfied with the service you are receiving, you should feel free to telephone our Managing Director, Brian Conroy on 353 1 9060250.

We have a detailed policy on handling complaints which is available on our website and can also be provided on request. This specifies the framework and timelines within which steps to address and resolve complaints must occur, the obligation to maintain and review a Complaints Register and to inform complainants of their right to have recourse to the Financial Services and Pensions Ombudsman (Lincoln House, Lincoln Place, Dublin 2, D02 VH29 or <https://www.fspo.ie/>).

Written complaints to BCWM should be addressed to our Head of Compliance and Risk

## 6. FEES AND CHARGES

For information on fees and charges please refer to our Fees and Charges Schedule (Appendix 1) which forms part of our Terms of Business. We do not receive or charge commissions or any other incentive or benefit for selling financial products or facilitating/executing investment transactions.

We have the right at all times to offset investment against outstanding monies owed to us. Where our professional fees in respect of services provided to you have not been settled, unless otherwise agreed, these fees will be deducted from cash held on your behalf.

Where we have taken reasonable steps to contact you unsuccessfully, to settle monies owed to us and there is not sufficient cash in the account you hold we may in certain circumstances dispose of investments to settle outstanding payments due and return the balance to you. Transactionary documentation resulting from such action will be sent in the usual manner. Fees and other costs may arise from such disposals for which you are liable.

We may charge interest on overdue balances at prevailing Euribor rates plus 4% per annum. At any time we may take legal action on debts outstanding to us.

An estimated aggregate of total costs and charges relating to the investment service and total costs and charges relating to the underlying financial instruments will be provided to Advisory clients each time investment advice is given. The actual costs and charges incurred will be disclosed to clients annually in an aggregate format.

An estimated aggregate of total costs relating to the investment service will be disclosed to Custody and Dealing clients at the outset of the relationship. The actual costs and charges incurred will be disclosed to clients annually in an aggregate format.

## 7. WARNINGS AND DISCLOSURES

### 7.1 Reliance on Information

We will rely on you for the supply of information necessary to provide you with suitable and appropriate investment advice. Consequently, you accept full and sole responsibility for the reasonableness and reliability of such information. You should notify us immediately should there be any material change to your personal information, risk profile or overall financial status generally. This information may have a bearing on the advice we give and have given you in terms of ongoing suitability and appropriateness of investment recommendations.

### 7.2 Your Categorisation as Investor

We have classified you as a retail client (unless otherwise agreed with you in writing). This affords you the highest level of protection under the MIFID II regulations. You may ask us to categorise you as a 'professional' client. If you request this, you will have a reduced level of protection. You will receive less detailed disclosures, BCWM will carry out less detailed suitability assessments when giving investment advice, you will not receive a suitability report after receiving the advice, and our requirements in terms of Best Execution and Client Order Handling will be lower. Professional investors are not entitled to any compensation under the Investor Compensation Act 1998. We have the right to refuse such request or to decline to do business with you on such basis.

### 7.3 Risk Disclosure

The value of your investments can fall as well as rise. Past performance is not a useful guide to future performance. The use of leverage will magnify the scale of gains and losses. Some investments may have limited liquidity directly as a result of the underlying asset or product structure or indirectly because of changes in liquidity in the market for those investment products. Penalties or other charges may be incurred where certain investments are encashed before the agreed term. The insolvency of product providers or their custodians or counterparties may diminish or eliminate the value of investments. Investments denominated in foreign currencies will be subject to variation in value due to exchange rate fluctuations. The taxation of investment income is liable to change. The profit or loss for foreign currency denominated investments will be impacted by fluctuations in exchange rates.

The following information provides a general description of the nature and risks of financial instruments, designed to give you an understanding of the major risks and characteristics that you need to consider.

#### **Equities**

Equities are units of ownership in individual companies and the return will be based on dividends and movements in the share price. They can be volatile, especially in the short-term. Some shares are likely to be more volatile than others. This will be based, among other things, on the business, geographic location and size of the company. Your portfolio will be at a greater risk of significant loss if there is a lack of diversity i.e. an overreliance on stocks in one particular company, industry sector or country.

#### **Bonds**

A bond is a debt instrument in which the issuer generally pays a set (fixed or variable) rate of interest over a given period, then returns the investor's principal. Although not usually to the same extent as shares, bonds can be subject to significant price movements. Bonds can also be subject to the risk of default and non-payment of interest and/or principal by the issuer. They provide good protection against the loss of capital, but with the exception of index-linked bonds, little protection against inflation. In general, government bonds are considered to be subject to less risk than corporate bonds because governments are less likely to default on their debt than companies, although this may not be the case with some emerging markets. Corporate bonds are issued by companies and are split into different types depending on the credit rating they achieve.

### **Loan Notes**

Loan notes are debt instruments whereby the issuer promises to pay the noteholder principal and interest according to the terms of the particular loan note. While they typically have a higher coupon than government or high grade corporate bonds, the issuer is usually a small or medium sized business that may be unable to access funding through more traditional routes. This exposes the noteholder to a degree of default risk, while the issuer may also be unable to maintain coupon payments under stressed conditions. There is typically no standard secondary market for the exchange of loan notes.

### **Collective Investment Schemes**

Collective Investment Schemes are a type of 'pooled investment' A pooled investment is one where a number of investors put different amounts of money into a fund which is then invested in one or more asset classes. Each regulated investment fund has a stated investment strategy enabling you to invest according to your investment objectives and risk profile. There are many forms of Collective Investment Schemes including Undertakings for Collective Investment in Transferable Securities (UCITS) and Alternative Investment Funds (AIFs). When assessing the risk for a Collective Investment Scheme BCWM assesses the investments it contains, for instance equities or bonds, or whether or not the fund is leveraged. The principle of leverage is to increase the fund's exposure to underlying assets by means of borrowing or other means in the pursuit of higher returns from the amount invested.

### **Exchange Traded Funds (ETFs)**

Exchange Traded Funds (ETFs) are investment products designed to track an index, investing in either all of the securities or a representative sample of the securities of the selected index. The performance of an ETF is likely to be reflective of the performance of the index upon which the ETF is based. ETFs are generally more liquid than other types of collective investment schemes and can be traded in the same way as any listed securities.

### **Unit Trusts**

Unit trusts are a type of fund structure which is constituted by a trust deed. The trust deed is the primary legal document which constitutes the trust and it sets out the various rights and obligations of the trustee and other parties.

### **Other Investments Including Derivatives, Money Market Instruments, Structured Products**

Derivatives include futures and options, they are considered complex instruments. Should you choose to invest in a derivative through BCWM, BCWM will provide you with details of the risks relating to the derivative at that stage. Structured products often include a guaranteed element with certain hurdles required to achieve above the guarantee. They can be guaranteed by institution, and structure varies considerably from product to product. A money market fund invests in cash deposits, cash equivalent securities and debt securities. They are generally highly liquid funds.

### **Property**

Property Funds invest the fund assets into properties and seek to benefit from capital appreciation and rental increases to derive returns for investors. Some funds may employ leverage within the structure to enhance returns. Property Funds may refuse redemptions for extended periods while cash is raised.

Investing in direct properties involves more concentration risk than investing in a diversified property fund, and performance may be negatively impacted by specific geographic factors or tenants defaulting.

The use of leverage will also impact investment performance.

## **7.4 Indemnity**

BCWM accepts no responsibility for losses arising from the insolvency of third party providers. BCWM is not responsible for losses resulting from investment performance in the pursuit of your investment objectives. If any of these terms cannot be enforced or are not valid, this will have no bearing on the rest of the terms which will be enforceable as if advised on a stand-alone basis.

## **7.5 Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, Criminal Justice Act 2013 and Criminal Justice (Money Laundering and Terrorism) Amendment Act 2018)**

The provision of most financial services is covered by the above Criminal Justice Acts. As such, our staff are required to report all knowledge or suspicion, or reasonable grounds to know or suspect, that a criminal offence giving rise to any direct or indirect benefit from criminal conduct has been committed, regardless of whether that offence has been committed by their client or by a third party.

If as part of our normal work where we have knowledge or suspicion, or have reasonable grounds to know or suspect, that such offences have been committed we are required to make a report to the Gardaí and the Revenue Commissioners. In such circumstances we are obliged not to discuss such reports with you because of the restrictions imposed by the tipping off provisions of the anti-money laundering legislation.

As with most other providers of financial services, we are under stringent requirements to identify our clients for the purposes of the anti-money laundering legislation. We are likely to request from you, and retain, some information and documentation for these purposes and/or to make searches of appropriate databases. If satisfactory evidence of your identity is not provided within a reasonable time, there may be circumstances in which we are not able to provide services to you.

## **8. CONTRACT INFORMATION**

### **8.1 Termination**

Either you or BCWM may terminate your contract for services by written notice at any time. Termination will not in any event affect accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payment save that you will pay (i) our fees pro rata to the date of termination; (ii) any additional expenses necessarily incurred by us in terminating this agreement

### **8.2 Variation**

Any application form or engagement letter (or other written agreement in connection with our service), you sign in relation to services provided by us including product specific terms and conditions shall in conjunction with these and any future versions of our Terms of Business form the basis of the agreement between us. Our Terms of Business may be varied or superseded at any time by agreement in writing between us, but any such variation shall not affect any rights or obligations of either of us already accrued. You or we may initiate such variations

### **8.3 Applicable Law**

The laws of Ireland will govern the provision of the services covered by this agreement, and the Irish courts will have exclusive jurisdiction over any dispute. Please contact your portfolio manager or our Client Services Manager with any queries.

## **Appendix 1 FEES AND CHARGES**

We offer a range of self-directed account types including personal, corporate and pension portfolios. Our fees are billed quarterly and are based on fixed rates as set out below. Fees are deducted from the portfolio 10 business days from the invoice issue date. We are pleased to discuss fees and provide further information at any time either before or after payment is made. Please contact your portfolio manager or our Client Services Manager with any queries.

### **No Commissions or Incentives**

We do not receive or charge commissions or any other incentive or benefit for selling financial products or facilitating/executing investment transactions. We are independent of all investment product providers and all prospective investee entities. We are wholly unbiased in investment recommendations. We believe this approach gives our clients the reassurance that we are committed to a long term, mutually rewarding partnership with them.

### **Other Fees and Charges**

We provide a wide range of bespoke financial planning and wealth management advisory services including discretionary portfolio management. In particular we offer competitive fees for the set up and administration of small self administered pension schemes, ARFS and Buy Out Bonds. Fees for these services will be agreed with you in advance of provision of services.

### **Third Party Charges**

All fees quoted are exclusive of third party costs including bank, execution broker charges and management fees on third party funds or investments. Bank and broker account and transaction charges can usually be obtained from the website of the institution. Please contact your portfolio manager or our Client Services Manager for details of third party fees in relation to your selected investments.



**BCWM Fee Schedule - Effective 1 January 2021**

<b>BCWM PENSION PROVISION AND INVESTMENT ANCILLARY COSTS MANAGEMENT FEES</b>		<b>ANCILLARY COSTS</b>	
<b>Investment account - Advisory/Discretionary</b>		Costs and charges associated with specific pension structures	
Portfolio value	> €1,000,000 1%	<b>Unit Trust</b>	
	< €1,000,000 1.50%	Set up	€1,500
<b>Custody and Dealing Service (Execution Only)</b>		Wind up	€1,500
Portfolio value	> €1,000,000 0.50%	<b>ARF</b>	
	< €1,000,000 0.75%	Closing and transfer	€2,000
Fund management services	1.25%	Additional payroll	€300
Commercial Property holding through a unit trust	5% Rents	<b>SSAP</b>	
Residential property holding through a unit trust	€1,500	Wind up fee	€3,000
<b>Private client investment accounts</b>		Set up fee	€3,000
Personal / Corporate - Advisory/Discretionary	> €1,000,000 0.75%	Amendments	€1,500
	< €1,000,000 1%	<b>Pension Scheme Trusteeship</b>	
<b>Private client investment accounts</b>		Trusteeship fee small schemes	€1,500
Personal / Corporate - Custody and Dealing	> €1,000,000 0.35%	Actuarial valuation	€500
	< €1,000,000 0.5%	Audit	€1,500
<b>Transactions</b>		<b>Other services including; Investment research, Retirement planning, general financial planning and other projects not included in the above.</b>	
Purchase / Sale of investments (listed)	0.25%	Hourly rates	
Purchase / Sale of investments (unlisted)	1%	Director	€450
Subject to a minimum fee of	€1,000	Associate Director	€300
Arranging property finance	0.50%	Manager	€200
Subject to a minimum fee of	€1,000		
Purchase / Sale of Property	€1,500		
Purchase / Sale of UK Property	€1,500		
<b>Transfer of assets per holding</b>			
	€50		
Subject to minimum of	€1,000		
<b>Nomineeship (per account)</b>			
	€1,000		

Note on PRSA Fees: PRSA fees are prescribed in legislation such that the fee is quoted including all investment costs and charges associated with the PRSA provider, investment management and underlying investments. This includes execution costs and broker charges and the underlying investment fund charges. The table below shows the maximum charges that may be incurred in the following asset classes held in a PRSA.

<b>Equities, real estate and other investments</b>	2.40%
<b>Bonds (excluding funds holding Bonds)</b>	1.33%
<b>Cash</b>	0.66%

## Costs and Charges Illustration

The information below provides you with an illustration of the annual costs and charges in respect of a typical €200,000 pension portfolio.

	<b>Custody and Dealing Service</b> (assuming two purchases and two sales per year, each trade worth €50,000 and the portfolio was fully invested in ETFs)		<b>Advisory Service</b> (assuming two purchases and two sales per year, each trade worth €50,000 and the portfolio was fully invested in ETFs)	
BCWM Administration Charge	0.75%	€1,500	1.50%	€3,000
VAT	0.17%	€345	0.35%	€690
BCWM Transaction Charge	0.25%	€500	0.25%	€500
VAT	0.23%	€115	0.23%	€115
Broker Transaction Charge*	0.53%	€1,052	0.53%	€1,052
Broker Annual account fee*	0.05%	€91	0.05%	€91
<b>Total Investment Service</b>	<b>1.80%</b>	<b>€3,603</b>	<b>2.72%</b>	<b>€5,448</b>
Weighted Expense Ratio of Financial Instruments	0.30%	€600	0.30%	€600
<b>Total Financial Instruments</b>	<b>0.30%</b>	<b>€600</b>	<b>0.30%</b>	<b>€600</b>
<b>Total Costs and Charges</b>	<b>2.10%</b>	<b>€4,203</b>	<b>3.02%</b>	<b>€6,043</b>
<b>Impact on rate of return (assuming return of 6% per annum)</b>	<b>Custody and Dealing before charges</b>	<b>Custody and Dealing after all charges</b>	<b>Advisory before charges</b>	<b>Advisory after all charges</b>
<b>Value after one year</b>	€212,000	€207,800	€212,000	€205,960

\*BCWM clients with self-directed portfolios may choose their own preferred stockbroker. BCWM has a core broker which it uses for clients who do not express a preference for a particular broker and the illustration above is based on the current charges with this broker. The broker transaction charges of the broker with whom trades are placed will be disclosed to you.

## Appendix 2 CLIENT KEY INFORMATION

The purpose of this document is to provide total transparency for clients and potential clients on how and where BCWM holds client assets, the risks therein, and to clarify the applicable regulations surrounding the holding and safeguarding of client assets. This document forms part of the Firm's Terms of Business and is available on the Firm's website.

Pursuant to the safeguarding of client assets, and the arrangements the Central Bank of Ireland operates to supervise how regulated financial service providers receive and hold client funds and financial instruments, the Client Asset Requirements (the "Regulations" or "CAR") were issued and are effective from **3rd January 2018**.

BCWM, as an investment firm regulated by the Central Bank, must ensure that client assets are held in accordance with the Client Asset Regulations "CAR".

The key purpose of the CAR is to protect Client Assets i.e. the funds and financial instruments that you place with BCWM or a third party, such as a banking institution, via BCWM.

The client assets regime, however, cannot fully eliminate all risks relating to client assets including those arising from fraud or negligence.

This document seeks to provide:

- a) An explanation of the key features of the regulatory regime which applies to the safeguarding of client assets;
- b) An explanation of what constitutes Client Assets under this regime;
- c) The circumstances in which this regime does apply and does not apply;
- d) An explanation of the circumstances in which BCWM will hold Client Assets itself, deposit Client Assets with a third party and deposit Client Assets outside the state; and
- e) The arrangements applying to the holding of Client Assets and the relevant risks associated with these arrangements.

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<sup>1</sup> The Central Bank (Supervision and Enforcement Act 2013 (Section 48(1) (Investment Firms) Regulations 2017 Part 6 Client Asset Requirements

<sup>2</sup> Please consult the Central Bank of Ireland website ([www.centralbank.ie](http://www.centralbank.ie)) for further information on the new Client Asset Requirements and Guidance issued which provides assistance in understanding the Regulations:

## A) THE REGULATIONS

The Regulations are set out under seven core Client Asset Principles:

<b>Segregation</b>	BCWM must hold client assets separate from the Firm's own assets and maintain accounting segregation between the Firm's own assets and those assets that belong to clients.
<b>Designation &amp; Registration</b>	BCWM must ensure that all of its internal records and those of third parties (e.g. Banks) clearly illustrate that all client assets are clearly identifiable and separate from the Firm's own assets.
<b>Reconciliation</b>	BCWM must keep accurate records and books to enable it at any time, and without undue delay, to provide an accurate record of the client assets being held. This covers each individual client and also the total funds held in client asset accounts.  BCWM must reconcile its internal records with those of the third party who hold the client assets e.g. a Bank. This is done by way of reconciling internal accounting records against a third party statement such as a bank statement.
<b>Daily Calculation</b>	Each business day BCWM must undertake a calculation to ensure that the sum total of all internal client assets accounts equate to third party statements. A business day is generally defined a day banks in Ireland open for business. BCWM may, with the consent of the Central Bank of Ireland, defer a Daily Calculation, for example over the Christmas Period.
<b>Client Disclosure &amp; Client Consent</b>	BCWM must provide information to all its clients informing them how and where their client assets are held and also inform them of the resulting risks thereof.
<b>Risk Management</b>	BCWM have put in place systems and controls to identify potential risks to client assets and relating mitigants to counteract those risks associated with the safeguarding of client assets.
<b>Client Assets Examination</b>	BCWM engage the services of an external audit firm to carry out a review, at least on an annual basis, and issue a report stating how the firm is adhering to the Regulations and the safeguarding of client assets.

## B) CLIENT ASSETS

The Regulations define Client Assets as Client Funds and Client Financial Instruments:

<b>Client Assets</b>	
<p><b>Client Funds</b> - defined in detail in the Regulations but in short means any money to which the client is beneficially entitled, received from or on behalf of a client or held by BCWM (or nominee) on behalf of a client, <b>excluding</b> money received that relates exclusively to an activity of BCWM that is not a regulated financial service.</p> <p><i>In summary, money received from investment in Client Financial Instruments.</i></p>	<p><b>Client Financial Instruments</b> - These are Financial Instruments as defined under MiFID and Investment Instruments as defined under the Investment Intermediaries Act 1995. Though not an exhaustive list this includes: transferable securities (e.g. shares and bonds), money market instruments, units/shares in a UCIT, units in a unit trust, collective investment schemes, Exchange Traded Funds (ETF), etc.</p>

## C) WHEN THE REGULATIONS APPLY

The Regulations are set out under seven core Client Asset Principles:

CAR APPLIES	CAR DOES NOT APPLY*
<p>The Regulations apply in respect of client funds that are received for an activity that is a regulated financial service. In the case of BCWM, this means:</p> <ul style="list-style-type: none"> <li>• Receipt and Transmissions of Orders</li> <li>• Portfolio Management</li> <li>• Investment Advice</li> </ul> <p>As it pertains to Client Financial instruments as defined above.</p>	<p>The Regulations do <b>not</b> apply in respect of funds received for an activity that is not a regulated financial service. These include activities related to:</p> <ul style="list-style-type: none"> <li>• Registered Administrator of SSAPs</li> <li>• QFM of A(M)RFs</li> <li>• Investments directly in Real Estate</li> </ul>

\* BCWM applies its internal CAR procedures to “Non-CAR Client Assets” (e.g. real estate, insurance policies, etc.) to the greatest extent possible. Such assets are segregated and also held in compliance with the Consumer Protection Code, though these accounts are not protected as client assets under CAR and are not covered by investor compensation schemes.

	Circumstances in which assets are clients assets:	Circumstances in which assets are NOT client assets:
Example 1	Funds received by electronic bank transfer, cheques and other payable orders will be client funds from the time of receipt of the cheque or other payable order by BCWM except in the cases noted in the adjacent column which sets out circumstances in which assets are not client assets.	BCWM receives a cheque, or other payable order made payable to a third party (e.g. a product producer), and directly transmits that cheque or other payable order to that party.
Example 2	BCWM physically holds a client's share certificate(s) for safe keeping.	Where a client transfers full ownership of client assets to BCWM for the purpose of securing or otherwise covering present or future, actual or contingent or prospective obligations, such client assets should no longer be regarded as belonging to the client.
Example 3	Interest is paid on a deposit account (the interest is deemed to be client funds when the interest is credited to the client's account).	Funds that are due and payable to BCWM itself, in accordance with a number of provisions, including the following: <ul style="list-style-type: none"> <li>• the amount is in accordance with a formula or basis previously disclosed to the client by BCWM; or</li> <li>• the precise amount of fees or commissions has been agreed by the client in writing, or has been finally determined by a court of competent jurisdiction.</li> </ul>
Example 4	Dividends are treated as Client Funds when BCWM receive the funds on the client's behalf.	Client assets cease to be client assets where: <ul style="list-style-type: none"> <li>• they are paid, or transferred, to the client whether directly or into an account with an eligible credit institution or relevant party in the name of the client (not being an account which is also in the name of BCWM);</li> <li>• they are paid, or transferred, to a third party on the written instruction of the client and are no longer under the control of BCWM.</li> </ul>

The above examples are not exhaustive; please do not hesitate to contact BCWM should you have any queries.

Please note that the client asset regime does not relate to the **value** of a client investment, rather it applies specifically to the **safeguarding** of Client Assets.

BCWM plc is regulated by the Central Bank of Ireland. BCWM plc is authorised as a Qualified Fund Manager by the Revenue.

## **D) HOW CLIENT ASSETS ARE HELD**

The list of third parties with whom BCWM place Client Assets and Client Financial Instruments is set out below in Section F.

### **Client Assets Held by BCWM or Third Party**

BCWM holds client assets when they have been lodged or entrusted to BCWM on behalf of a client.

Where BCWM physically holds a client's asset (e.g. share certificate) for safe keeping, it is held in a fire-proof safe located on BCWM's premises. BCWM holds client assets in individual or pooled<sup>[1]</sup> designated client asset accounts in the name of BCWM. Unless otherwise advised to you, client funds are held in pooled designated client asset accounts pending investment. Client funds are covered by the Deposit Guarantee Scheme-[www.depositguarantee.ie](http://www.depositguarantee.ie). Client financial instruments are held in individual designated client asset accounts. These entities are regulated by the CBI, at a minimum for conduct of business rules. Investor Compensation schemes also apply – please see the relevant entities' websites (provided in section F below).

### **Client Assets Held Outside the State of Ireland**

In the event that client assets are to be deposited with a third party outside the State, BCWM will advise the client of the name of the regulatory authority to which that third party is responsible, the regulations that the third party is subject to, any applicable risks or limitations, the basis on which that third party was selected, and whether it is related to BCWM or independent of it. Where client assets are held outside the State, BCWM will confirm if an investor compensation scheme applies, the arrangements that apply to the holding of client assets, the risks associated with those arrangements, and controls in place to mitigate such risks.

BCWM holds client assets with stockbrokers Stocktrade and Blankstone Sington both located in the United Kingdom (see section F). These firms are regulated by the Financial Conduct Authority ("FCA"), are entered on the Financial Services Register and are currently subject to MiFID and GDPR regulations. The FCA has announced its intention, in the event of a "hard Brexit", to transpose MIFID II and GDPR legislation into British Law resulting in continuity in the regulatory environment for UK Financial Services Providers. The Financial Services Register is accessible at [www.fca.org.uk](http://www.fca.org.uk). Retail clients may have a right to make a claim against the Financial Services Compensation Scheme if UK regulated firms fail, however it is unclear if this will continue post Brexit. If for legal or regulatory purposes and if BCWM considers it in the clients' best interests to move to other brokers, it will do so giving clients as much notice as possible and we will provide you with details as outlined in the paragraph above. Should you wish to make alternative arrangements in such circumstances please notify us accordingly in good time.

### **Basis of Third Party Selection**

All credit institutions and investment firms chosen to hold client assets are done so by the Board on the recommendation of BCWM's Investment Committee, comprised of senior management, consultants and directors. All third parties undergo regular review to ensure they continue to satisfy BCWM's internal risk assessment. They are assessed based on their regulated status, financial strength, range of services offered, and their adherence to CAR amongst other factors.

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<sup>[1]</sup> i.e they hold the assets of more than one client.

### **Risks and Limitations**

The Client Asset regime seeks to regulate and safeguard the handling of Client Assets; however it is impossible to eliminate all risks relating to Client Assets. Though not exhaustive, the below are examples of such risks:

- Counterparty default – If a third party with which BCWM holds client assets defaults or enters insolvency there is a risk that the client may not receive back all, or any, of their assets. It is also possible that the return of assets may be delayed (e.g. liquidation process).
- Fraud – In the event of a fraud or operational failure, either through intentional or unintentional actions from an internal or external source to BCWM or a third party, the Client Assets held on your behalf may be misappropriated, diminished or unavailable to you for a period of time.

Such risks are mitigated, for example, by BCWM's risk assessment of third parties, the segregation of client asset accounts in both BCWM and the third party, the employment of extensive control and risk management processes to comply with the CAR, and internal and external audit reviews.

## **E) ARRANGEMENTS IN RELATION TO HOLDING OF CLIENT ASSETS**

Further to Section D above, BCWM shall have in place a Board approved Client Asset Management Plan (CAMP) which sets out how Client Assets are to be protected. The Board of BCWM is ultimately responsible for the management and governance of its business and places the highest priority on its responsibilities in relation to Client Assets.

The Board has further appointed a Head of Client Asset Oversight who is responsible for ensuring the safeguarding of Client Assets.

It shall establish a committee of the Board, the Risk Committee, whose remit includes monitoring and assessing the risks in relation to the safeguarding of Client Assets.

In addition to BCWM's internal audit function and the normal monthly regulatory filings and inspections, client asset accounts are audited on an annual basis by external auditors to examine compliance with the CAR and report on same to the Central Bank of Ireland.

Other than in the case of a client's specific instruction, BCWM only holds client assets with those third parties on BCWM's Authorised List, on whom an appropriate due diligence and risk assessment is conducted and regularly updated.

The movement of client assets is subject to a dual-signatory policy within BCWM, with both signatories being of Senior Management or Director level.

Client bank accounts are reconciled daily. All accounts which hold client financial instruments are reviewed and reconciled monthly. Physical holdings are also reconciled monthly.

Any material findings are immediately reported to the Board and the Central Bank.

**F) THIRD PARTIES WITH WHOM BCWM PLACE CLIENT ASSETS****In Ireland**

<b>Name</b>	<b>Location</b>	<b>Registered Office</b>	<b>Website</b>	<b>Types of Accounts held</b>	<b>Related Party</b>
Ulster Bank Ireland Limited	Dublin	Ulster Bank Group Centre, George's Quay, Dublin 2	www.ulsterbank.ie	Pooled and Individually Designated	No
Bank of Ireland & Bank of Ireland Private	Dublin	40 Mespil Road Ballsbridge, Dublin 4	www.bankofireland.com	Pooled and Individually Designated	No
Allied Irish Bank	Dublin	Bankcentre, Ballsbridge, Dublin 4	www.aib.ie	Pooled and Individually Designated	No
KBC	Dublin	Sandwith Street Upper Dublin	www.kbc.ie	Pooled and Individually Designated	No
Davy	Dublin	Davy House 49 Dawson Street Dublin 2	www.davy.ie	Pooled and Individually Designated	No
Goodbody	Dublin	Ballsbridge Park Ballsbridge, Dublin 4	www.goodbody.ie	Pooled and Individually Designated	No
Cantor Fitzgerald (formerly Dolmen Stockbrokers & Merrion Stockbrokers)	Dublin	75 St. Stephen's Green, Dublin 2	www.cantorfitzgerald.ie	Pooled and Individually Designated	No
Quilter Cheviot Limited	Dublin	Hambleden House, 19-26, Lower Pembroke St, Dublin 2	www.quiltercheviot.ie	Pooled and Individually Designated	No
BCP Asset Management	Dublin	71 Upper Leeson Street, Dublin 4	www.bcp.ie	Pooled and Individually Designated	No
Brewin Dolphin (Formerly Investec Wealth & Investments)	Dublin	3 Richview Office Park Clonskeagh Dublin 14.	www.brewindolphin.ie	Pooled and Individually Designated	No

**Outside Ireland**

<b>Name</b>	<b>Location</b>	<b>Registered Office</b>	<b>Website</b>	<b>Types of Accounts held</b>	<b>Related Party</b>
Stocktrade/Alliance Trust Savings	Edinburgh, UK	70 George St, Edinburgh EH2 2LT, UK	www.stocktrade.co.uk	Pooled and Individually Designated	No
Blankstone Sington	Liverpool, UK	Walker House, Exchange Flags, Liverpool, L2 3YL, UK	www.blankstonesington.co.uk	Pooled and Individually Designated	No
Interactive brokers	London, UK	Level 20 Heron Tower, 110 Bishopsgate, London EC2N 4AY	www.interactivebrokers.co.uk	Pooled and Individually Designated	No
Brewster Financial Strategies Group Wells Fargo Advisors (USA) LLC	New York, USA	1211 Avenue of the Americas, 27TH FLOOR, New York, NY	home.wellsfargoadvisors.com	Pooled and Individually Designated	No
Janus Henderson (formerly Henderson Management SA)	London, UK	Janus Henderson Investors 201 Bishopsgate, London EC2M 3AE	www.janushenderson.com	Individually Designated	No

BCWM plc is regulated by the Central Bank of Ireland. BCWM plc is authorised as a Qualified Fund Manager by the Revenue.



BCWM may hold clients assets with an appropriately regulated entity or an appointed Nominee

### Further information

If you require any additional information in relation to client assets, please do not hesitate to contact us. Please mark your query for the attention of the Head of Compliance and Risk.

## Appendix 3 – CONFLICTS OF INTEREST

### Policy

It is BCWM policy to observe and maintain high standards of integrity and fair dealing, to observe high standards of market conduct, and to act with due skill, care and diligence in conducting its affairs and those of its customers.

BCWM takes steps to identify, prevent and manage conflicts of interest that arise in the course of providing any investment or ancillary services. The conflict of interest may be within BCWM, between clients of BCWM or between BCWM and:

- BCWM's managers, employees and tied agents,
- one or more persons directly or indirectly linked to BCWM or that organisation by control, or
- the clients of BCWM

### Disclosure

If the arrangements are insufficient to ensure that risks to clients will be prevented, BCWM shall clearly disclose to its clients the nature and/ or source of such conflict of interest and the extent to which it has/hasn't been able to mitigate it. The disclosure shall include the risks to the client that arise as a result of the conflicts of interest in sufficient detail to enable that client to take an informed decision in the context of which the conflicts of interest arise. BCWM will disclose such conflicts to existing clients as soon as is practical and to potential clients before the business relationship commences. BCWM will make the disclosures via an appropriate, durable medium (e.g. PDF or hardcopy letter) and in appropriate detail. In circumstances where the conflict is deemed to be of a serious nature the Head of Compliance & Risk will report his/her findings to the Audit Committee of BCWM.

Disclosure is a measure of last resort to be used only where the firm's arrangements to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client are prevented.

### Identifying a Conflict of Interest

For the purpose of identifying the types of conflict of interest referred to above, the existence of which may damage the interests of a client, BCWM shall take into account, by way of minimum criteria, the question of whether BCWM or a relevant person, or a person directly or indirectly linked by control to BCWM is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

- (a) BCWM or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- (b) BCWM or that person 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;
- (c) BCWM or that person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- (d) BCWM or that person carries on the same business as the client;
- (e) BCWM or that person 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.

### Procedures

The following includes some of the key procedures which BCWM has adopted to manage potential conflicts of interest, in its business

- It is the duty of every director to declare any conflicts of interest between themselves and the interests of BCWM or its clients. The Firm seeks an update of any changes to relevant interests held by any director annually. Such interests include shareholdings (however small) in any entity supplying goods or services to the Firm, or any personal connections with those entities. Any such interests are recorded in the conflicts of interest log and the director will then abstain from any decision regarding the relevant engagement.
- BCWM ensures segregation of duties in carrying out the function of the Firm on behalf of clients.
- The Head of Compliance & Risk reports to the Board of BCWM with a view to guaranteeing the independence of the Compliance & Risk function; Internal Audit reports directly to the Chair of the Audit Committee with a view to guaranteeing its independence.
- BCWM has established a Remuneration policy which aims to have remuneration arrangements that:
  - are in line with the business strategy, objectives, values and long-term interests of the Firm
  - ensure the fair treatment of clients and incorporate measures to avoid conflicts of interest
  - are consistent with, and promote, sound and effective risk management and which do not encourage risk taking.
- BCWM has established a Staff Dealing Policy and a Gifts and Entertainment Policy, both of which aim to avoid potential conflicts of interest.
- When providing investment advice, staff members must ensure that such information is objectively presented, and to disclose their conflicts of interest concerning the financial instruments to which that information relates.
- BCWM has a policy in place to manage conflicts of interest when providing investment research. This includes restrictions on the personal account dealing of those involved in the research and restrictions on the number of people accessing the research before it is disseminated
- BCWM has an Inducements Policy in place which ensures that all fees, commissions and non- monetary benefits are charged and structured in the best interests of the client and are charged in line with the requirements of the MiFID Regulations
- BCWM does not carry out any cross trades for clients, i.e. no client will purchase a public traded financial instrument from another client; all trades are placed with brokers to be traded on the capital markets

## Appendix 4 – BEST EXECUTION POLICY

### Introduction

Best Execution refers to BCWM's duty to take sufficient steps to obtain the best possible result for its clients when placing orders in financial instruments. The purpose of the Best Execution policy is to outline how BCWM achieves best execution for its clients. When clients of BCWM place an order with BCWM, they agree to the terms of this Best Execution Policy.

When we refer to 'placing' an order, this means the act of transmitting an order in a security to a stockbroker, either to buy or sell the security. The order is then executed by an authorised broker who must complete the order in line with its own best execution policies. BCWM is not authorised to execute trades.

BCWM does not receive any remuneration or non-monetary benefit for placing orders with brokers and BCWM does not deal on its own account.

The policy shall be reviewed at least annually and is therefore subject to change. BCWM will notify you if the change is deemed material. The following pages provide a summary of BCWM's Best Execution Policy and the full most up-to-date policy is available on our website. Further information on BCWM's Best Execution process is available to all clients on request.

### Choosing a Stockbroker

BCWM clients with self-directed portfolios may choose their own preferred stockbroker. BCWM has preferred brokers which it uses for clients who do not express a preference for a particular broker. All stockbrokers are subject to due diligence at take-on and at least bi-annually thereafter. BCWM considers the below listed factors for all stockbrokers and carries out additional due diligence on stockbrokers who are Core Brokers, which includes a due diligence meeting with the brokers. If BCWM discovers that a stockbroker chosen by a client is not delivering best execution on a consistent basis, we will inform the client.

**Warning:** You should note that if you chose a stockbroker that is not a Core Broker, it is subject to a lower level of due diligence by BCWM.

**At the date of this policy, the full list of approved stockbrokers is as set out below:**

Stockbroker	Financial Instrument Type
Alliance Trust (formerly Stocktrade)	All
Blankstone Sington	All
Cantor Fitzgerald	All
Davy Stockbrokers	All
Goodbody Stockbrokers	All
Brewin Dolphin	All
Interactive Brokers	All
ITI Capital	All
Quilter Cheviot	All
Wells Fargo Advisors	All

From time to time the Firm may facilitate another Broker at the request of individual clients.

## Financial Instruments

This Best Execution Policy covers trades in MiFID financial instruments. Financial instruments include:

- Transferable securities (e.g. any of the following that is capable of being traded on the capital markets i) equities (or shares in a company), ii) bonds, iii) depositary receipts for shares or bonds, iv) an Exchange Traded Fund that is capable of being traded on capital markets),
- Money market instruments (instruments dealt on the money market such as treasury bills, certificates of deposit, commercial papers),
- Units in collective investment undertakings (e.g. a UCITS Fund, an AIF, a SICAV),
- Options, warrants, futures, swaps and forward rate agreements, derivative contracts, contracts for differences, emission allowances.

## Execution Venues

The Firm places orders in MIFID financial instruments with a broker who will normally execute the order at an execution venue, such as a regulated market, or on an over-the-counter basis. Dealing over-the-counter includes a broker dealing directly with another broker, or the broker dealing as principal on its own account.

## Factors BCWM Considers

BCWM will normally consider the factors outlined in the table below when executing trades, reviewing completed trades and/or reviewing brokers:

Factor	How BCWM considers this factor
<b>Price</b>	BCWM considers the market price of financial instruments before placing trades in equities, bonds and ETFs and gives the stockbroker a price range within which the trade should be executed. The price achieved is then monitored post trade by the Client Services team (who place the trade) and the Operations team (who issue the contract note).
<b>Costs</b>	The broker commissions, foreign dealing charges, annual account charges and other third party costs charged by brokers is a key factor in BCWM's review of brokers.
<b>Speed</b>	BCWM expects trades to be executed by the brokers promptly. Any pattern of delays in trades shall be escalated and considered in any reviews.
<b>Likelihood of execution and settlement</b>	The likelihood of execution and settlement are deemed to be the most critical factors prior to the selection of a broker and for any ongoing due diligences. BCWM must be satisfied that the broker the reliably able to execute the order before a broker is approved.
<b>Size</b>	The size of and value of orders BCWM places is relatively low compared to Irish and global stock markets. Therefore the size of the order is generally not a key consideration for BCWM.
<b>Nature</b>	Whether the order is a buy order or a sell order is generally not a key consideration for BCWM.
<b>Characteristics of the client, including whether retail or professional</b>	The vast majority of BCWM's clients are classified as Retail clients under MiFID and for Retail clients, an emphasis is placed on the total consideration, representing the price and costs. Other factors may be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the retail client.  BCWM will inform retail clients about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.
<b>Characteristics of the Financial instrument</b>	BCWM considers the financial specific factors:  <b>Equities &amp; Exchange Traded Funds</b> <ul style="list-style-type: none"> <li>• BCWM will place the order for an Exchange Traded Fund with a broker. The broker identifies the best available prices from a variety of execution venues such as a regulated market, an MTF, an OTF, another broker, a market maker or may deal as principal on its own account.</li> </ul> <b>Collective Investments Schemes (such as UCITS, AIF, SICAV funds)</b> <ul style="list-style-type: none"> <li>• BCWM places the order with a broker. The broker will then route the order to the fund manager at the available price for that particular fund or on an exchange if the fund is listed. Orders in unit funds are likely to be executed outside of a regulated market, or MTF, or OTF.</li> </ul> <b>Bonds</b> <ul style="list-style-type: none"> <li>• BCWM places the order for any bonds with a broker. Brokers generally execute orders for bonds on an over the counter basis.</li> </ul>
<b>The characteristics of the client order, including where the order involves a securities financing transaction (SFT):</b>	Should the order be in a non-standard financial instrument, such as a securities financing transaction, a member of the Senior Management Team will be involved in the transaction to ensure that best execution is achieved.
<b>Any other relevant factors</b>	BCWM considers availability of data from the stockbroker, and their response to requests, in order to allow meaningful assessment of service.

### Specific Instructions

If a client gives BCWM a specific instruction, BCWM will have satisfied its best execution obligations only in respect of the part or aspect of the order to which the instructions relate. A specific instruction may prevent BCWM from taking the steps outlined in this policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

### Order Allocation

BCWM carries out otherwise comparable client orders in the order in which they were received unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the client require otherwise. BCWM does not aggregate client orders.

### Dealing in Over the Counter Trades

From time to time, the broker will execute the trade on an over-the-counter basis, rather than on a centralised exchange. A financial instrument is traded on an over-the-counter basis, when it is not traded on a trading venue (i.e. a regulated market, an MTF or OTF). For the typical financial instrument held by BCWM clients, there are market prices available for BCWM to determine if a fair price was achieved, even if it was traded over-the-counter. Details of typical over-the-counter trades and how BCWM determines if a fair price is achieved is outlined below:

Financial Instrument	Over-the-counter Basis	BCWM Checks
<b>Transferable Securities</b>	The broker may trade directly with another broker, or on its own book.	BCWM will check the price achieved versus the published exchange prices on the day.
<b>Units in collective investment undertakings</b>	The broker normally trades unit in collective investment undertakings directly with the fund manager.	BCWM will check the Net Asset Value of the Fund on the day.
<b>Bonds</b>	Brokers generally execute orders for bonds on an over the counter basis directly with another counterparty.	BCWM will check versus the published exchange prices on the day.
<b>Derivative contracts, Options, Warrants</b>	Brokers generally execute orders for derivative contracts, options and warrants on an over the counter basis directly with another counterparty.	BCWM shall check the fairness of the price by gathering the data available used in the estimation of the price of the product and where possible by comparing with similar or comparable products.

When dealing in over the counter products, it may be more difficult for the broker to liquidate an existing position. Over the counter products may be less regulated than financial instruments traded on an exchange.

### Dealings in Investments Which Are Not MIFID Financial Instruments

From time to time, BCWM's clients invest in assets which are not regulated by the MiFID Regulations, such as property or life policies. It is unlikely that BCWM will use a broker for these trades and unlikely that the trade will take place on an execution venue. These investments are not subject to the Best Execution policy.

### Publication

Each year BCWM shall publish on its website information on trades relating to the preceding year, including the top five brokers used for each class of financial instrument (equities, bonds etc.) in terms of trading volumes. BCWM shall also publish, for each class of financial instrument, a summary of the analysis and conclusions its draws from the monitoring of the quality of execution on the brokers for the preceding year.

### Portfolio Management

Portfolio management is the management of portfolios on a discretionary basis in accordance with mandates given by clients. BCWM makes the investment decision and transmits the order to the stockbroker to buy or sell the security.





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